

**TOWN OF ST. LUCIE VILLAGE, FLORIDA**  
Financial Statements  
September 30, 2018

**CONTENTS**

	<b><u>PAGE</u></b>
Independent Auditors' Report.....	1-2
Management's Discussion and Analysis.....	3-5
Financial Statements:	
Governmental Funds Balance Sheet/Statement of Net Position.....	6
Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance/Statement of Activities.....	7
Statement of Revenues, Expenditures - Budget to Actual - General Fund.....	8
Notes to Financial Statements.....	9-15
Report on Internal Control over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i> .....	16-17
Independent Auditor's Report on Compliance with the Requirements of Section 218.415, Florida Statutes Required by Rule 10.556(10) of the Auditor General of the State of Florida.....	18
Auditor's Management Letter Required by Chapter 11.45, <i>Florida Statutes</i> .....	19-21

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Alderman  
Town of St. Lucie Village, Florida

***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, and each major fund of the Town of St. Lucie Village, Florida (the "Town") as of September 30, 2018 and for the year then ended, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements 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 statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks 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 statements.

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Town of St. Lucie Village, Florida, as of September 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3–5 and page 8, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2019 on our consideration of Town of St. Lucie Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of St. Lucie Village, Florida's internal control over financial reporting compliance.

### ***Report on Other Legal and Regulatory Requirements***

We have also issued our report dated October 23, 2019 on our consideration of the District's compliance with requirements of Section 218.415, FL Statutes, as required by Rule 10.556(10) of the Auditor General of the State of Florida. The purpose of that report is to provide an opinion based on our examination conducted in accordance with attestation Standards established by the American Institute of Certified Public Accountants.

*DiBartolomeo, McBee, Hartley & Barnes*

DiBartolomeo, McBee, Hartley and Barnes, P.A.  
Fort Pierce, Florida  
October 23, 2019

TOWN OF ST. LUCIE VILLAGE, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

The Town of St. Lucie Village (the "Town"), Saint Lucie County, Florida discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Town's financial activity and financial statements, (c) identify changes in the Town's financial position, (d) identify any material deviations from the Town's budget, and (e) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Auditor's Report (beginning on page 1) and the Town's financial statements (beginning on page 6.)

**FINANCIAL HIGHLIGHTS**

The following are the highlights of financial activity in government wide financials for the year ended September 30, 2018. The Town's total revenues were \$355,036, which includes \$177,011 from taxes, \$76,015 from charges from services and \$47,276 from intergovernmental activity.

During the year, the Town had expenses of \$289,756 for governmental activities, which was \$65,280 less than the \$355,036 generated in revenue.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and Combined Balance Sheet (page 6) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund Financial Statements begin on page 6. For governmental activities, these Statements tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the Town's operations in more detail by providing information about the Town's most significant funds.

REPORTING THE TOWN AS A WHOLE

Our analysis of the Town as a whole begins on page 6. One of the most important questions asked about the Town's finances is, "Is the Town as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. These Statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used in most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two Statements report the Town's net position and changes in them. You can think of the Town's net position – the difference between assets and liabilities – as one way to measure the Town's financial health, or financial position. Overtime, *increases* or *decreases* in the Town's net position, is one indicator of whether its *financial* health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Town's property tax base and the condition of the Town's roads, equipment, and buildings to assess the overall health of the Town.

#### Governmental Activities

The change in net position of governmental activities was \$50,028.

#### Debt

As of September 30, 2018 the Town had no long-term debt.

Other obligations of the Town include accrued payroll and related benefits.

### **THE TOWN'S FUNDS**

#### Governmental Type Funds

As of year-end, the governmental funds (as presented on page 7) reported a combined fund balance of \$515,044, which is a 15% increase from the beginning of the year at \$449,764. Several of the governmental fund expenditures are capital expenditures related and, therefore, may reflect capital expenditures (which are reflected in the current financial resource-based Fund Financial Statements) as a spending of a portion of available net position or an increase in net position from unspent net position. The General Fund experienced a net increase of \$48,890.

#### Special Revenue Fund

As of year-end, the special revenue fund (as presented on page 6) reported a fund balance of \$79,171 which is a 26% increase from the beginning of the year.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

An operating budget was adopted and maintained by the governing board for the town pursuant to the requirements of the Florida statutes. The budget is adopted using the same basis of accounting that is used in the preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget is in the aggregate. Budget amendments must be approved. Actual general fund expenditures were lower than appropriations for the year ended September 30, 2018 by \$100,086.

## **CONTACTING THE TOWN'S FINANCAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional information, contact the Town at Town of St. Lucie Village, P.O. Box 3878, Ft. Pierce, Florida 34948.

**TOWN OF ST. LUCIE VILLAGE, FLORIDA**  
**GOVERNMENTAL FUNDS BALANCE SHEET/STATEMENT OF NET POSITION**  
**September 30, 2018**

	<u>GOVERNMENTAL ACTIVITIES</u>			<u>ADJUSTMENTS (NOTE B)</u>	<u>STATEMENT OF NET POSITION</u>
	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE</u>	<u>TOTAL</u>		
<b><u>ASSETS</u></b>					
Cash	\$ 441,874	\$ 66,258	\$ 508,132	\$ -	\$ 508,132
Due from other governments	21,748	-	21,748	-	21,748
Due from general fund		12,913	12,913	-	12,913
Capital Assets	-	-	-	2,247,915	2,247,915
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,247,915</u>	<u>2,247,915</u>
 TOTAL ASSETS	 <u>\$ 463,622</u>	 <u>\$ 79,171</u>	 <u>\$ 542,793</u>	 <u>\$ 2,247,915</u>	 <u>\$ 2,790,708</u>
<b><u>LIABILITIES AND FUND EQUITY/NET POSITION</u></b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 11,704	\$ -	\$ 11,704	\$ -	\$ 11,704
Due to special revenue	12,913	-	12,913	-	12,913
Accrued wages & benefits payable	3,132	-	3,132	-	3,132
TOTAL LIABILITIES	<u>27,749</u>	<u>-</u>	<u>27,749</u>	<u>-</u>	<u>27,749</u>
<b>FUND EQUITY/NET POSITION</b>					
Investment in capital assets	-	-	-	2,247,915	2,247,915
Restricted	-	79,171	79,171	-	79,171
Unassigned	435,873	-	435,873	-	435,873
TOTAL FUND EQUITY/NET POSITION	<u>435,873</u>	<u>79,171</u>	<u>515,044</u>	<u>2,247,915</u>	<u>2,762,959</u>
 TOTAL LIABILITIES AND FUND EQUITY/NET POSITION	 <u>\$ 463,622</u>	 <u>\$ 79,171</u>	 <u>\$ 542,793</u>	 <u>\$ 2,247,915</u>	 <u>\$ 2,790,708</u>

The accompanying notes are an integral part of this financial statement

**TOWN OF ST. LUCIE VILLAGE, FLORIDA**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE/STATEMENT OF  
ACTIVITIES

Year Ended September 30, 2018

	GOVERNMENTAL ACTIVITIES			ADJUSTMENTS (NOTE B)	STATEMENT OF ACTIVITIES
	GENERAL FUND	SPECIAL REVENUE	TOTAL		
<b>REVENUE</b>					
Taxes	\$ 177,011	\$ -	\$ 177,011	\$ -	\$ 177,011
Licenses and permits	27,618	-	27,618	-	27,618
Intergovernmental	47,276	-	47,276	-	47,276
Charges for services	76,015	-	76,015	-	76,015
Interest	224	-	224	-	224
Contributions and donations	-	13,203	13,203	-	13,203
Rent	1,965	10,254	12,219	-	12,219
Miscellaneous	1,470	-	1,470	-	1,470
<b>TOTAL REVENUES</b>	<b>331,579</b>	<b>23,457</b>	<b>355,036</b>	<b>-</b>	<b>355,036</b>
<b>EXPENDITURES</b>					
General Government	201,281	7,067	208,348	11,967	220,315
Physical Environment	64,077	-	64,077	3,285	67,362
Transportation	6,669	-	6,669	-	6,669
Culture and Recreation	10,662	-	10,662	-	10,662
<b>TOTAL EXPENDITURES</b>	<b>282,689</b>	<b>7,067</b>	<b>289,756</b>	<b>15,252</b>	<b>305,008</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>48,890</b>	<b>16,390</b>	<b>65,280</b>	<b>(15,252)</b>	<b>50,028</b>
<b>CHANGE IN NET ASSETS</b>	<b>48,890</b>	<b>16,390</b>	<b>65,280</b>	<b>(15,252)</b>	<b>50,028</b>
<b>FUND BALANCE</b>					
Beginning of year	386,983	62,781	449,764	2,263,167	2,712,931
End of year	<u>\$ 435,873</u>	<u>\$ 79,171</u>	<u>\$ 515,044</u>	<u>\$ 2,247,915</u>	<u>\$ 2,762,959</u>

The accompanying notes are an integral part of this financial statement



**TOWN OF ST. LUCIE VILLAGE, FLORIDA**  
**STATEMENT OF REVENUES AND EXPENDITURES – BUDGET TO ACTUAL –**  
**GENERAL FUND**  
**Year Ended September 30, 2018**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUE</b>			
Taxes	\$ 171,000	\$ 177,011	\$ 6,011
Licenses and permits	16,500	27,618	11,118
Intergovernmental	51,600	47,276	(4,324)
Charges for services	65,000	76,015	11,015
Interest	200	224	24
Rent	2,400	1,965	(435)
Miscellaneous	2,000	1,470	(530)
<b>TOTAL REVENUES</b>	<u>308,700</u>	<u>331,579</u>	<u>22,879</u>
<b>EXPENDITURES</b>			
General Government	255,975	201,281	54,694
Public Safety	1,500	-	1,500
Physical Environment	65,000	64,077	923
Transportation	49,000	6,669	42,331
Culture and Recreation	11,300	10,662	638
<b>TOTAL EXPENDITURES</b>	<u>382,775</u>	<u>282,689</u>	<u>100,086</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>(74,075)</u>	<u>48,890</u>	<u>122,965</u>
 <b>CHANGE IN NET POSITION</b>	 (74,075)	 48,890	 122,965
 <b>FUND BALANCE</b>			
Beginning of year	<u>386,983</u>	<u>386,983</u>	<u>-</u>
End of year	<u>\$ 312,908</u>	<u>\$ 435,873</u>	<u>\$ 122,965</u>

The accompanying notes are an integral part of this financial statement

# TOWN OF ST. LUCIE VILLAGE, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

September 30, 2018

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town conform to generally accepted accounting principles applicable to local governmental units. The following is a summary of the more significant policies:

#### Reporting Entity

The Town of St. Lucie Village, Florida (the 'Town') was incorporated on May 6, 1961 in accordance with the provisions of Chapter 165, Florida Statutes. The Town operates under an aldermanic form of government, consisting of a Mayor and a five-member board of Aldermen. The Town provides services to its residents in many areas, including zoning, code enforcement, community enrichment and development, and general administrative services.

#### Basis of Presentation

Government-wide Financial Statements - Government-wide financial statements, including the statement of net position and statement of activities, present information about the Town as a whole. These statements include the non-fiduciary financial activity of the primary government and its component units.

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the Town's governmental activities. Town expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the Town.

The effects of inter-fund activity have been eliminated from the government-wide financial statements.

Fund Financial Statements - Fund financial statements report detailed information about the Town in the governmental, proprietary, and fiduciary funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Non-major funds are aggregated and reported in a single column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, the reconciliation is presented with each of the governmental fund financial statements.

# TOWN OF ST. LUCIE VILLAGE, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

September 30, 2018

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Major Governmental Fund Types

General Fund - The general fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund – special revenue funds are established to account for the proceeds of specific revenue sources other than expendable trust or major capital projects requiring separate accounting because of legal or regulatory provisions or administrative action.

In the fund financial statements, governmental funds report non spendable and restricted fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change. Under GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances are required to be reported according to the following classifications:

Non-spendable fund balance – Amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. “Not in spendable form” includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items such as long-term amount of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

Restricted fund balance – Amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Supervisors. Commitments may be changed or lifted only by the Board of Supervisors taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned fund balance – Includes spendable fund balance amounts established by the Board of Supervisors that are intended to be used for specific purposes that are neither considered restricted nor committed.

# TOWN OF ST. LUCIE VILLAGE, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

September 30, 2018

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unassigned fund balance – Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

#### New Accounting Standards Adopted

##### *GASB Statement No. 72, Fair Value Measurement and Application*

This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

##### *GASB Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*

The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

#### Cash and Cash Equivalents

Florida Statutes require state and local governmental units to deposit monies with a financial institution classified as a “Qualified Public Depository,” which is a state insurance pool for banks and other financial institutions. The pool requires each bank to render as collateral a percentage of all state and local monies on deposit. Upon default of a particular financial institution within the pool, the pooled collateral is used to reinstate the state and local government deposits. This pool is additional insurance above the federal depository insurance. The Town has cash deposits only with qualifying institutions as of September 30, 2018.

# TOWN OF ST. LUCIE VILLAGE, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

September 30, 2018

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Investments

##### Credit Risk:

Florida Statutes require the money market mutual funds held by the Town to have the highest credit quality rating from a nationally recognized rating agency.

##### Interest Rate Risk:

Florida Statutes state that the investment portfolio be structured in such manner as to provide sufficient liquidity to pay obligations as they come due. All holdings are currently invested to meet current obligations.

##### Concentration of Credit Risk:

The Town places no limit on the amount the Town may invest in any one issuer. More than 5% of the Town's investments are with one issuer.

#### Budgetary Data

The operating budget includes proposed expenditures and the sources of receipts. The budget is adopted on a basis consistent with generally accepted accounting principles. The Town does not budget capital projects funds.

#### Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, sidewalks and similar items) are reported in the government activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

**TOWN OF ST. LUCIE VILLAGE, FLORIDA**

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Property, plant and equipment of the Town are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Improvements	10-20
Infrastructure	20-40
Vehicles	0-5

In the governmental fund financial statements, amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported in the governmental fund financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Deferred Outflows/Inflows of Resources

The statement of net position reports, as applicable, a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to the future reporting period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. For example, the Town would record deferred outflows of resources related to debit amounts resulting from current and advance refunding resulting in the defeasance of debt (i.e. when there are differences between the reacquisition price and the net carrying amount of old debt).

The statement of net position reports, as applicable, a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to future reporting period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For example, when an asset is recorded in the governmental fund financial statements, but the revenue is not available, the District reports a deferred inflow of resources until such times as the revenue becomes available.

Subsequent Events

Management has performed an analysis of the activities and transactions subsequent to September 30, 2018 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended September 30, 2018. Management has performed their analysis through October 23, 2019.

**TOWN OF ST. LUCIE VILLAGE, FLORIDA**

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

**NOTE B – RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION/RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES**

Amounts reported for governmental activities in the statement of net position are different because:

Ending fund balance - governmental funds \$ 515,044

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds

Governmental Capital Assets 2,716,641  
Less Accumulated Depreciation (468,726)

Net position of governmental activities \$ 2,762,959

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds \$ 65,280

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Depreciation (15,252)

Change in net position of governmental activities \$ 50,028

**TOWN OF ST. LUCIE VILLAGE, FLORIDA**

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

**NOTE C – PROPERTY AND EQUIPMENT**

Capital asset activity for the fiscal year ended September 30, 2018 was as follows:

	<u>BEGINNING BALANCE</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>ENDING BALANCE</u>
<b>Governmental Activities:</b>				
Capital Assets, not being Depreciated:				
Land	\$ 2,209,850	\$ -	\$ -	\$ 2,209,850
Total Capital Assets, not being Depreciated:	<u>2,209,850</u>	<u>-</u>	<u>-</u>	<u>2,209,850</u>
Capital Assets, being Depreciated:				
Buildings and Improvements	487,820	-	-	487,820
Vehicles	18,971	-	-	18,971
	<u>506,791</u>	<u>-</u>	<u>-</u>	<u>506,791</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	437,788	11,967	-	449,755
Vehicles	15,686	3,285	-	18,971
	<u>453,474</u>	<u>15,252</u>	<u>-</u>	<u>468,726</u>
TOTALS	<u>\$ 2,263,167</u>	<u>\$ (15,252)</u>	<u>\$ -</u>	<u>\$ 2,247,915</u>

Depreciation expense is reported as general governmental and physical environment expenses in the statement of activities.



INDEPENDENT AUDITOR'S REPORT 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*

Town of St. Lucie Village, Florida  
Saint Lucie County, Florida

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Town of St. Lucie Village, Florida as of and for the year ended September 30, 2018, which collectively comprise the Town of St. Lucie Village, Florida's basic financial statements and have issued our report thereon dated October 23, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town'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 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. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's 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

This report is intended 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 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 purpose.

*DiBartolomeo, McBee, Hartley & Barnes*

DiBartolomeo, McBee, Hartley & Barnes, P.A.  
Fort Pierce, Florida  
October 23, 2019

Independent Auditor's Report on Compliance with the Requirements of Section 218.415, Florida Statutes Required by Rule 10.556(10) of the Auditor General of the State of Florida

Town of St. Lucie Village  
Saint Lucie County, Florida

We have examined the Town's compliance with the requirements of Section 218.415, Florida Statutes with regards to the Town's investments during the year ended September 30, 2018. Management is responsible for the Town's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Town's compliance with specified requirements.

In our opinion, the Town complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

*DiBartolomeo, McBee, Hartley & Barnes*

DiBartolomeo, McBee, Hartley & Barnes, P.A.  
Fort Pierce, FL  
October 23, 2019

Management Letter

Town of St. Lucie Village, Florida  
Saint Lucie County, Florida

***Report on the Financial Statements***

We have audited the financial statements of the Town of St. Lucie Village, Florida as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated October 23, 2019.

***Auditors' Responsibility***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the Auditor General.

***Other Reports and Schedule***

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated October 23, 2019, should be considered in conjunction with this management letter.

***Prior Audit Findings***

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit. There were no findings noted in the preceding year's audit, with the exception of 2016-1. This finding was noted in the two preceding fiscal year audit reports.

### 2016-1 Organizational Structure

The size of the Town's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimal segregation of duties.

We recommend that the Commission remain involved in the financial affairs of the Town to provide oversight and review functions to assist the segregation of duties in the accounting department.

#### *Response:*

The Board receives monthly account registers in addition to other financial data. They have a dual signature policy in order to create mitigating controls. The Town is in the process of reviewing and implementing additional procedures in order to strengthen the internal controls with the limited staff available.

### 2018-1

Due to a change in the organization staff, certain records and supporting documents were not available during the course of year end. Procedures were able to be performed in order to complete the financial audit.

We recommend the Town set up procedures that will dictate the need to maintain certain records and invoices and that those records are easily accessible in the event of staff turnover.

### ***Official Title and Legal Authority***

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. Refer to Note A in the notes to the financial statements.

### ***Financial Condition***

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report the results of our determination as to whether or not the Town of St. Lucie Village has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions met. In connection with our audit, we determined that the Town of St. Lucie Village did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Town of St. Lucie Village's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

### ***Annual Financial Report***

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the Town of St. Lucie Village for the fiscal year ended September 30, 2017, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2018. In connection with our audit, we determined that these two reports were in agreement.

### ***Other Matters***

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

### ***Purpose of this Letter***

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Chairman and Members of the Board of Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*DiBartolomeo, McBee, Hartley & Barnes*

DiBartolomeo, McBee, Hartley & Barnes, P.A.

Fort Pierce, FL

October 23, 2019