



MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Board of Directors and Audit Committee
North Brevard County Hospital District
Titusville, Florida

We have audited the financial statements of North Brevard County Hospital District (the "District") as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated January 2, 2015.

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. We have also issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters. Disclosures in that report, which is dated January 2, 2015, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the state of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports:

- 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 report. There were no such findings and recommendations in the preceding annual financial audit report.
- 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, such recommendations are presented in Exhibit I.
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address non-compliance with provisions of contracts and grant agreements or abuses that have occurred, or likely to have occurred, that have an effect on the basic financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.
- 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 the management letter, unless disclosed in the notes to the

basic financial statements. The District was established under the laws of the state of Florida in 1953 under an original act included in Chapter 28924, House Bill 1370, and operates Parrish Medical Center, a community hospital providing inpatient and outpatient healthcare services in North Brevard County, Florida.

- Section 10.554(1)(i)5.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the District for the fiscal year ended September 30, 2014, 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, 2014. In connection with our audit, we determined that these two reports were in agreement.
- 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 entity'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.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Our management letter is intended solely for the information and use of the District's Audit Committee and Board of Directors, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.

Certified Public Accountants

Clearwater, Florida
January 2, 2015

Attachment: Exhibit I



MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REPORT

Board of Directors and Audit Committee
North Brevard County Hospital District
Titusville, Florida

We have examined the compliance of the North Brevard County Hospital District (the "District") with the requirements of Section 218.415, Florida Statutes during the fiscal year ended September 30, 2014. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District'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 District'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 District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2014.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.

Certified Public Accountants

Clearwater, Florida
January 2, 2015

EXHIBIT I

OBSERVATIONS AND RECOMMENDATIONS North Brevard County Hospital District Year Ended September 30, 2014

2014 - 1: Bank Reconciliation

Observation – The year-end bank reconciliation on the District’s primary operating account had an unidentified reconciling item. The District’s Management is currently investigating the nature of this variance.

Recommendation – The District should ensure that all bank accounts are fully reconciled on a monthly basis.

Management Response – The reconciliation process this year was negatively impacted by turnover in accounting staff and an information systems conversion to Meditech’s 6.0 platform. As we convert to Regions bank accounts, the finance staff is actively involved in the set up and configuration of all the accounts and how transactions are processed. We are also using a portion of Regions’ reconciliation package which will facilitate timely account reconciliations. Our current policy states that all balance sheet reconciliations will be reconciled and reviewed by the 25th of the following month. We will be in compliance with this policy in relation to the primary operating bank account by the 2nd quarter of fiscal year 2015.

STATUS OF PRIOR YEAR’S RECOMMENDATIONS

There were no prior year recommendations.