



# Sebastian Inlet District

## FINANCIAL STATEMENTS

Year Ended September 30, 2018



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**Sebastian Inlet District, Florida**  
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**As of September 30, 2018**

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**Sebastian Inlet District, Florida  
District Commissioners  
As of September 30, 2018**

**District Commissioners**

Jenny Lawton Seal	Chairman
Michael J. Rowland	Vice Chairman
Beth L. Mitchell	Secretary/Treasurer
Ann Perry	Commissioner
Dave Pasley	Commissioner

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## **INDEPENDENT AUDITORS' REPORT**

To the District Commissioners  
Sebastian Inlet District, Florida  
Indialantic, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and major fund of the Sebastian Inlet District, Florida, (the "District") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the District'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.

#### ***Auditors' 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 auditors' 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 the major fund of the Sebastian Inlet District, 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.

## **Change in Accounting Principle**

As described in Note 2 to the financial statements, in 2018, the District adopted new accounting guidance, *GASBS No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the required budgetary comparison information and the pension and other postemployment benefits supplementary information on pages 7-11 and pages 42-46, respectively, 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 March 28, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Carly Riggs & Ingram, L.L.C.*

Melbourne, Florida  
March 28, 2019

## Sebastian Inlet District, Florida Management's Discussion and Analysis

Our discussion and analysis of the Sebastian Inlet District, Florida's (the "District") financial performance, provides an overview of the District's financial activities for the fiscal year ended September 30, 2018. Please read it in conjunction with the District's basic financial statements, which immediately follow this discussion.

### FINANCIAL HIGHLIGHTS

The following are highlights of financial activity for the year ended September 30, 2018:

- The District's total assets and deferred outflows exceeded its liabilities and deferred inflows at September 30, 2018 by \$13,611,357. Of this amount, \$12,006,908 (unrestricted net position) may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total net position increased \$601,793; an increase of approximately 5% from the previous year's ending balance. The net increase can be explained as follows: a) \$2,044,193 received from property taxes levied during the current year, b) \$51,446 of investment income and c) \$96,313 of operating grants and contributions. These revenues were offset by \$1,590,159 of expenses for general operations, channel maintenance, mitigation and monitoring activities required for permitting and sand transfer studies, as well as expenses related to post-Hurricane Matthew Shoreline Rehabilitation, dredge bypass planning and gopher tortoise management.
- The District also recorded a prior period adjustment of \$741 for the implementation of GASB 75.
- As of September 30, 2018, the District's governmental funds reported an ending fund balance of \$12,413,627, an increase of \$681,034 compared to the prior year.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements.

#### A. Government-Wide Financial Statements

The government-wide financial statements, which consist of the following two statements, are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business.

1. The statement of net position presents information on all the District's assets, liabilities and deferred inflows/outflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the financial position of the District.

# Sebastian Inlet District, Florida Management's Discussion and Analysis

## OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

### A. Government-Wide Financial Statements (continued)

2. The statement of activities presents information showing how the District's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The government-wide financial statements can be found on pages 15 and 16 of this report.

### B. Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure compliance with finance-related legal requirements.

The District has only one fund type: governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the statement of revenues, expenditures and changes in fund balance provide reconciliations to facilitate this comparison between governmental funds and governmental activities.

The District adopts an annual appropriated budget for the general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. The governmental fund financial statements can be found on pages 17 through 19 of this report. The budget comparison can be found on pages 45 through 46.

### C. Notes to Basic Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 21 through 39 of this report.



## Sebastian Inlet District, Florida Management's Discussion and Analysis

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$13,611,357 at the close of the most recent fiscal year. The following table reflects the condensed government-wide statement of net position:

<u>Sebastian Inlet District</u> <u>Statement of Net Position</u>			
		2018	2017
Current and other assets	\$	12,572,426	\$ 11,759,817
Capital assets		1,604,449	1,654,859
Total assets		14,176,875	13,414,676
Deferred outflows		179,802	261,569
Other liabilities		158,799	27,224
Noncurrent liabilities		461,218	598,499
Total liabilities		620,017	625,723
Deferred inflows		125,303	41,699
<b>Net position:</b>			
Net investment in capital assets		1,604,449	1,654,859
Unrestricted		12,006,908	11,353,964
Total net position	\$	13,611,357	\$ 13,008,823

An increase of \$762,199 in total assets is attributed primarily to the increase in cash of \$1,108,980 less the reduction in assets due from other governments and the offsets in all capital assets categories. Total liabilities decreased by \$5,706. The decrease in deferred outflows of \$81,767 and an increase in deferred inflows of \$83,604 were due to changes in assumptions and differences between projected and actual earnings on pension plan investments, as well as changes in proportion and differences between District pension plan contributions and proportionate share of contributions. Net position increased \$602,534 as a result of increases in cash and investment earnings.

### Governmental Activities

Governmental activities changed the District's net position by \$601,793 and \$599,916 for the years ended September 30, 2018 and 2017, respectively, as reflected in the table below:

## Sebastian Inlet District, Florida Management's Discussion and Analysis

### GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	<u>Sebastian Inlet District</u> <u>Statement of Activities</u>	
	<b>2018</b>	2017
Revenues		
Program revenues:		
Operating grants and contributions	\$ 96,313	\$ 337,889
General revenues:		
Property taxes	2,044,193	2,021,179
Unrestricted investment earnings	51,446	32,199
Total revenues	<b>2,191,952</b>	<b>2,391,267</b>
Expenses		
General government	726,981	682,793
Physical environment	863,178	1,108,558
Total expenses	<b>1,590,159</b>	<b>1,791,351</b>
Change in net position	<b>601,793</b>	<b>599,916</b>
Net position, beginning of year, as previously stated	<b>13,008,823</b>	<b>12,408,907</b>
Prior period adjustment	741	-
Net position, beginning of year, restated	<b>13,009,564</b>	<b>12,408,907</b>
Net position, ending	<b>\$ 13,611,357</b>	<b>\$ 13,008,823</b>

For fiscal year 2017-2018, the Sebastian Inlet District adjusted its millage rate to the rolled back rate of 0.0937. The decrease of \$199,315 in total revenues is a result of a decrease in operating grant revenue from the Florida Department of Environmental Protection (FDEP).

The District is required to perform certain State-mandated projects every three-to-four years. The District estimates how much they will pay out on projects during any given fiscal year due to lengthy permitting processes. Because of this, the District typically budgets for all potential expenditures to ensure they have the funds available for related project costs throughout the year. General governmental expenses increased by \$44,188. Physical environment expenditures decreased by \$245,380 due to the winding down of the post-Hurricane Matthew activities.

### ANALYSIS OF THE GOVERNMENTAL FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the District's governmental fund is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's net resources available for spending at the end of the fiscal year. The General Fund comprises the total governmental funds.

# Sebastian Inlet District, Florida Management's Discussion and Analysis

## **ANALYSIS OF THE GOVERNMENTAL FUNDS (Continued)**

As of the end of the most current fiscal year, the District's General Fund reported an ending fund balance of \$12,413,627, an increase of \$681,034 as compared to the total balance on October 1, 2017. The change in fund balance is a result of revenues exceeding expenses. The resulting net income of \$681,034 was transferred to assigned fund balance for future dredging projects.

## **CAPITAL ASSETS**

The District's capital assets, less accumulated depreciation and amortization, for its governmental activities as of September 30, 2018 amounts to \$1,604,449, and consists of improvements other than buildings, equipment, and intangible assets. The current year decrease of \$50,410 relates primarily to the depreciation and amortization expense.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

Intergovernmental revenues were less than budget, primarily due to the reduction in monitoring requirements by FDEP. 2018 ad valorem tax revenue received increased compared to the previous year. However, the 2018 tax revenues were \$60,231 less than budgeted due to uncollected, current year real estate and tangible property levies.

Physical environment expenditures were less than budgeted, but consistent with the level of activity at the end of the FDEP agreement and other annual obligations.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

Revenues for the fiscal year 2018-2019 adopted budget for all funds of the District total \$13,836,407, which includes funds carried forward from the previous year, and is a 7% increase from the prior year's budget. Tax revenues for the fiscal year 2018-2019 adopted budget for the District total \$2,149,407, a 3% increase from the prior year's budgeted tax revenues. The District Commissioners approved the millage rate for the fiscal year 2018-2019 of 0.0877 mills which is the rolled-back rate.

Expenditures for the fiscal year 2018-2019 adopted budget for all funds of the District are projected for the Commission, F&A, Government Fees, Engineering, Sand Transfer System, Sand Trap Dredging, Maintenance of Channel, Storm Management, Monitoring, Jetty Maintenance and Repair, and Legal Counsel, Channel Extension, Offshore Projects, Construction, Natural Resource Program, Professional Services and Other Projects.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of Sebastian Inlet District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Sebastian Inlet District, 114 Sixth Avenue, Indialantic, Florida 32903.

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## **BASIC FINANCIAL STATEMENTS**

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**Sebastian Inlet District, Florida**  
**Statement of Net Position**

<i>September 30, 2018</i>	Primary Government
<b>ASSETS</b>	
Cash and cash equivalents	\$ 6,433,437
Investments	6,137,217
Due from other governments	1,772
Capital assets:	
Depreciable, net of accumulated depreciation / amortization	
Improvements other than buildings	45,287
Equipment	11,297
Intangible assets	1,547,865
Total assets	14,176,875
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflow - pension	179,802
Total deferred outflows of resources	179,802
<b>LIABILITIES</b>	
Accounts payable	158,502
Accrued expense	297
Noncurrent liabilities:	
Due within one year:	
Compensated absences, current portion	10,589
Due in more than one year:	
Compensated absences, less current portion	48,820
Net pension liability	395,283
Net OPEB liability	6,526
Total liabilities	620,017
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflow - pension	123,556
Deferred inflow - OPEB	1,747
Total deferred inflows of resources	125,303
<b>NET POSITION</b>	
Net investment in capital assets	1,604,449
Unrestricted	12,006,908
Total net position	\$ 13,611,357

*The accompanying notes are an integral part of this financial statement.*

**Sebastian Inlet District, Florida**  
**Statement of Activities**

<i>Year ended September 30, 2018</i>						Government
Functions/Programs	Expenses	Program Revenues			Net (Expense)	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position	
General government	\$ 726,981	\$ -	\$ -	\$ -	\$ (726,981)	
Physical environment	863,178	-	96,313	-	(766,865)	
Total governmental activities	\$ 1,590,159	\$ -	\$ 96,313	\$ -	(1,493,846)	
General revenues						
Property taxes					2,044,193	
Unrestricted investment earnings					51,446	
Total general revenues					2,095,639	
Change in net position					601,793	
Net position, beginning of year, as previously stated					13,008,823	
Prior period adjustment (See Note 2)					741	
Net position, beginning of year, restated					13,009,564	
Net position, end of year					\$ 13,611,357	

*The accompanying notes are an integral part of this financial statement.*



**Sebastian Inlet District, Florida**  
**Balance Sheet – Governmental Fund**

<i>September 30, 2018</i>	General	Total Governmental Fund
<b>ASSETS</b>		
Cash and cash equivalents	\$ 6,433,437	\$ 6,433,437
Investments	6,137,217	6,137,217
Due from other governments	1,772	1,772
Total assets	\$ 12,572,426	\$ 12,572,426
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Accounts payable	\$ 158,502	\$ 158,502
Accrued expenses	297	297
Total liabilities	158,799	158,799
Fund balances:		
Assigned:		
Legal counsel	96,000	96,000
Engineering	175,000	175,000
Sand transfer system	145,198	145,198
Sand trap dredging	9,145,764	9,145,764
Maintenance of channel	116,180	116,180
Construction programs	857,984	857,984
Subsequent year's budget deficit	1,264,731	1,264,731
Unassigned	612,770	612,770
Total fund balances	12,413,627	12,413,627
Total liabilities and fund balances	\$ 12,572,426	
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		1,604,449
Deferred outflow of resources related to pension earnings are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.		179,802
Deferred inflow of resources related to pension earnings are not recognized in governmental funds; however, they are recorded in the statement of net position under full accrual accounting.		(123,556)
Deferred inflow of resources related to OPEB earnings are not recognized in governmental funds; however, they are recorded in the statement of net position under full accrual accounting.		(1,747)
Long-term liabilities, including net OPEB liability, compensated absences and net pension liability, are not due and payable in the current period and therefore are not reported in the funds.		(461,218)
Net position of governmental activities		\$ 13,611,357

*The accompanying notes are an integral part of this financial statement.*

**Sebastian Inlet District, Florida**  
**Statement of Revenues, Expenditures and Changes in Fund Balance -**  
**Governmental Fund**

<i>Year ended September 30, 2018</i>	General	Total Governmental Fund
<b>Revenues</b>		
Taxes:		
Brevard County	\$ 1,634,561	\$ 1,634,561
Indian River County	409,632	409,632
Intergovernmental	96,313	96,313
Interest and other	51,446	51,446
Total revenues	2,191,952	2,191,952
<b>Expenditures</b>		
Current:		
General government	697,701	697,701
Physical environment	812,140	812,140
Capital outlay	1,077	1,077
Total expenditures	1,510,918	1,510,918
Excess of revenues over expenditures	681,034	681,034
Fund balance, beginning of year	11,732,593	11,732,593
Fund balance, end of year	\$ 12,413,627	\$ 12,413,627

*The accompanying notes are an integral part of this financial statement.*

**Sebastian Inlet District, Florida**

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund  
Balance of the Governmental Fund to the Statement of Activities**

*Year ended September 30, 2018*

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Net change in fund balances - total governmental funds	\$ 681,034
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>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 as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.</p>	(50,410)
<p>Other post-employment benefit liability is reported in the statement of activities when it is estimated to be earned. As it does not require the use of current financial resources, it is not reported as an expenditure in governmental funds until paid. This is the amount of other post-employment benefit liability reported in the statement of activities in the prior year that was paid in the current year.</p>	1,737
<p>Cash pension contributions reported in the funds were less than the calculated pension expense on the statement of activities and therefore decreased net position.</p>	(28,715)
<p>Compensated absences previously reported in the statement of activities used current financial resources and therefore, are reported as expenditures in governmental funds.</p>	(1,853)
Change in net position of governmental activities	\$ 601,793

*The accompanying notes are an integral part of this financial statement.*

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

Sebastian Inlet District, Florida (the "District") is a multi-county independent special taxing district established by an act of the Florida State Legislature, Chapter 7976 (No. 194) in 1919 to construct and maintain a navigable waterway connecting the Atlantic Ocean and the Indian River. The District's legal name as defined by the enabling legislation is Sebastian Inlet District. However, the Florida Department of Economic Opportunity has the District registered as Sebastian Inlet Tax District. The District is governed by an elected Board of Commissioners, which consists of five members.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all activities of the primary government. *Governmental activities* are those which normally are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental fund. The major individual governmental fund is reported in separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)**

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The District reports the following major governmental fund:

The *general fund* is the government's operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Amounts reported as *program revenues* include 1) charges for services, 2) operating grants and contributions, and 3) and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

**D. Assets, Liabilities, and Net Position or Equity**

**1. Cash and cash equivalents**

Cash and cash equivalents represents all investments that are short term, highly liquid, and readily convertible to a specified cash value. These investments generally have original maturities of three months or less. Cash equivalents consist of cash in banks and on hand.

**2. Investments**

The District's investments consist of certificates of deposit, which are held to maturity and are nonparticipating interest-earning investment contracts. The certificates of deposits are valued at cost plus accrued interest per Section 150: *Investments* of the GASB Codification.

**3. Due from other governments**

The District considers due from other governments in the general fund to be fully collectible; accordingly, no allowance for doubtful accounts is required.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities, and Net Position or Equity (continued)**

**4. Prepaid items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**5. Capital assets**

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and intangible assets are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$750 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 acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated/amortized using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Improvements other than buildings	5-20
Equipment	5-10
Office furniture	5-10
Intangible assets - land easement and improvements	50

**6. Deferred outflows / inflows of resources**

The deferred outflows and inflows related to pensions are an aggregate of items related to pensions as calculated in accordance with Section P20: *Pension Activities* of the GASB Codification.

The deferred inflows related to other post-employment benefits are calculated in accordance with Section P52: *Other Post-employment Benefits of the GASB Codification*.

**7. Compensated absences**

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All sick and vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental fund only if they have matured, for example, as a result of employee resignations and retirements.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities, and Net Position or Equity (continued)**

**8. Long-term obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

**9. Fund equity**

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable Fund Balance – Amounts that are inherently not spendable because of their form (such as inventory) and/or that cannot convert or are not readily convertible to cash (such as prepaid assets).

Assigned Fund Balance – Amounts that the District Administrator has identified to be used for a specific purpose and any deficit budgeted for the next fiscal year.

Unassigned Fund Balance – The remaining portion of fund balance which is spendable and not obligated or specifically designated, and thus, available for any purpose.

**10. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from management’s estimates.

**11. Defined Benefit Pension Plans**

The District participates in cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State, the Florida Retirement System. For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plan’s fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are



**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities, and Net Position or Equity (continued)**

**11. Defined Benefit Pension Plans (continued)**

due. The District’s employer contributions are recognized when due, and the District has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plan.

**12. Other Post-employment Benefits**

The District participates in a single employer, defined benefit, other post-employment plan. The District does not have a trust for the plan, and there is no actuarial determined contribution. The OPEB liability is determined in accordance with GASBC P52: *Other Post-employment Benefits*.

**NOTE 2: CHANGE IN ACCOUNTING PRINCIPLE**

In fiscal year 2018, the District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The statement requires the restatement of the September 30, 2017 net position in the statement of activities to record the difference in the OPEB liability under the new standard. This change is in accordance with generally accepted accounting principles.

	Governmental Activities
Net position, September 30, 2017, as previously reported	\$ 13,008,823
Net OPEB Liability Adjustment	741
Net position, September 30, 2017, as restated	\$ 13,009,564

**NOTE 3: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

As permitted by Section 2400, *Budgetary Reporting*, the District has elected to disclose all budgetary information in the notes to the required supplementary information on page 46.

**Sebastian Inlet District, Florida**  
**Notes to Financial Statements**

**NOTE 4: RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position**

The governmental fund balance sheet includes a reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation states that "long-term liabilities are not due and payable in the current period and therefore are not reported in the funds". The details of this \$(461,218) difference are as follows:

Compensated absences	\$	(59,409)
Net pension liability		(395,283)
Net OPEB liability		(6,526)
<hr/>		
Net adjustment to reduce <i>fund balance - total governmental funds to arrive at net position-governmental activities</i>	\$	(461,218)
<hr/> <hr/>		

**B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance and the Government-wide Statement of Activities**

The governmental fund statement of revenues, expenditures and changes in fund balance includes a reconciliation between *net changes in fund balance – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "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 as depreciation expense". The details of this \$(50,410) difference is as follows:

Capital outlay	\$	1,077
Depreciation / amortization expense		(51,487)
<hr/>		
Net adjustment to decrease <i>net changes in fund balance – total governmental funds to arrive at changes in net position of governmental activities</i>	\$	(50,410)
<hr/> <hr/>		

**NOTE 5: DETAILED NOTES ON ALL FUNDS**

**A. Deposits**

At September 30, 2018, the District's carrying amount of deposits was \$6,433,337 and the bank balance was \$6,497,093. In addition, the District maintained \$100 of petty cash. As of September 30, 2018, \$250,000 of the District's bank balances is covered by the Federal Depository Insurance Corporation (FDIC). Monies invested in amounts greater than the insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts

**Sebastian Inlet District, Florida  
Notes to Financial Statements**

**NOTE 5: DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Deposits (continued)**

required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the District pursuant to Section 280.08, Florida Statutes.

**B. Investments**

As of September 30, 2018, the District had the following investments and effective duration presented in terms of years:

Investment Type	Credit Rating	Cost plus Accrued Interest	Investment Maturity (Year)		
			Less than 1	From 1-5	Over 6
<b>Government-wide</b>					
Certificates of Deposit	Unrated	\$ 6,137,217	\$ 6,137,217	\$ -	\$ -

**Interest Rate Risk**

The District’s investment policy limits interest rate risk by attempting to match investment maturities with known cash needs and anticipated cash flow requirements. This policy is pursuant to Florida State Statute 218.415(6).

**Credit Risk**

The District’s investment policy pursuant to Florida State Statute 218.415 permits for investments in the Local Government Surplus Trust Fund, Securities and Exchange Commission registered money market funds with the highest credit rating quality from a nationally recognized rating agency, interest-bearing time deposits or savings accounts in qualified depositories and direct obligations of the United States Treasury.

**Custodial Credit Risk**

The District’s investment policy pursuant to Florida State Statutes 218.415(10) requires securities, with the exception of certificates of deposit, to be held with a third-party custodian; all securities purchased by, and all collateral obtained by the District should be properly designated as an asset of the District. The securities must be held in an account separate and apart from the assets of the financial institution.

A third party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida as defined in Section 658.12, Florida Statutes, or by a national association organized and existing under the laws of the United States which is authorized

## Sebastian Inlet District, Florida Notes to Financial Statements

### NOTE 5: DETAILED NOTES ON ALL FUNDS (Continued)

to accept and execute trusts and which is doing business in the State of Florida. Certificates of deposit maintained by book-entry at the issuing bank shall clearly identify the District as the owner.

As of September 30, 2018, the District's investments were held with a third-party custodian as required by the District's investment policies.

#### C. Property Taxes

The millage rate levied by the District for the fiscal year ended September 30, 2018, was 0.0937 mills. Tax collections for the District were approximately 97% of the total tax levy.

The District is permitted to levy ad valorem taxes on assessed valuation by State law. However, Chapter 74-430, Laws of Florida, a special act applicable only to governmental units in Brevard County, limits the annual increase to 10% of tax revenues of the preceding year (exclusive of new construction and improvements not appearing in the previous year's tax roll) without voter approval by referendum.

Lien date	-	January 1
Levy date	-	Prior to September 30
Due date	-	November 1
Delinquent date	-	April 1

All property taxes remaining unpaid at May 30 are subject to a tax certificate sale by the Tax Collector.

#### D. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, being depreciated/amortized:				
Improvements other than buildings	\$ 79,852	\$ -	\$ -	\$ 79,852
Equipment	82,451	1,077	-	83,528
Intangible assets – land easement and improvements	1,834,874	-	-	1,834,874
<b>Total capital assets being depreciated/amortized</b>	<b>1,997,177</b>	<b>1,077</b>	<b>-</b>	<b>1,998,254</b>
Less accumulated depreciation/amortization for:				
Improvements other than buildings	(30,092)	(4,473)	-	(34,565)
Equipment	(63,745)	(8,486)	-	(72,231)
Intangible assets – land easement and improvements	(248,481)	(38,528)	-	(287,009)
<b>Total accumulated depreciation/amortization</b>	<b>(342,318)</b>	<b>(51,487)</b>	<b>-</b>	<b>(393,805)</b>
<b>Total capital assets, being depreciated/amortized, net</b>	<b>1,654,859</b>	<b>(50,410)</b>	<b>-</b>	<b>1,604,449</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 1,654,859</b>	<b>\$ (50,410)</b>	<b>\$ -</b>	<b>\$ 1,604,449</b>

**Sebastian Inlet District, Florida**  
**Notes to Financial Statements**

**NOTE 5: DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (continued)**

Depreciation and amortization expense was charged to functions/programs of the government as follows:

Governmental activities:	
General government	\$ 449
Physical environment	51,038
<u>Total depreciation and amortization expense - governmental activities</u>	<u>\$ 51,487</u>

**E. Changes in Long-Term Liabilities**

Long-term liabilities for the year ended September 30, 2018, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Compensated absences	\$ 57,556	\$ 25,631	\$ (23,778)	\$ 59,409	\$ 10,589
Pension obligation	530,192	-	(134,909)	395,283	-
Net OPEB liability	10,751	-	(4,225)	6,526	-
<u>Long-term liabilities</u>	<u>\$ 598,499</u>	<u>\$ 25,631</u>	<u>\$ (162,912)</u>	<u>\$ 461,218</u>	<u>\$ 10,589</u>

For the governmental activities, the other liability and compensated absences are generally liquidated by the general fund.

**F. Operating Leases**

The District's office facilities are leased under a one-year, operating lease which expires on August 31, 2019. The District leases office equipment under an operating lease which expired on January 29, 2019. The District also leases a boat slip under an operating lease which expires on August 31, 2019.

Minimum future rental payments under the non-cancelable operating leases as of September 30, 2018, are as follows:

Years ending September 30,	
2019	\$ 19,784
<u>Total minimum lease payments</u>	<u>\$ 19,784</u>

Total rent expense charged to operations in 2018 was \$23,507.

**NOTE 5: DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Self-Insurance Program**

The District is a member of the Florida League of Cities (a not-for-profit corporation) self-insurance program for workers' compensation and general liability.

The self-insurance program purchases excess and specific coverage from third party insurance carriers. Members in the program are billed quarterly for their portion of the cost of the program. Members are not assessed for unanticipated losses incurred by the program. Premiums paid by the District during the year totaled \$11,476. In the past three years, there have been no claims settled exceeding the District's coverage. As of September 30, 2018, there are no outstanding claims.

**H. Pension Plan**

The District established a defined contribution simplified employee pension plan ("SEP"), in the form of Self-Directed Individual Retirement Accounts, by action of the Commission on September 24, 1991. The District has no fiduciary responsibility for this plan.

Any full-time employee of the District who has attained age 21 and is employed by the District is eligible to participate in the pension plan of the District. Pension costs are comprised of current service costs, which are accrued and funded on a current basis. The contribution rate is equal to the difference between the Florida Retirement System ("FRS") contribution rate and 15% of eligible employee salaries, for a total contribution of 15% between the two plans. The 15% benefit is paid by the District. The 15% is split into a contribution to the FRS plan for the amount invoiced by the State. The remaining difference is sent to the SEP plan. Total eligible payroll for all employees was \$310,799 and all were covered by the plan at year end. For the year ended September 30, 2018, the District contributed \$14,697 to the SEP.

**I. State of Florida Pension Plans**

**Defined Benefit Plans**

The District participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report is available from the Florida Department of Management Services' website ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

The Florida Retirement System ("FRS") Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program ("DROP") available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS

**NOTE 5: DETAILED NOTES ON ALL FUNDS (Continued)**

**I. State of Florida Pension Plans (continued)**

**Defined Benefit Plans (continued)**

membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (“HIS”) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

***Benefits Provided***

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years’ earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years’ earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

***Contributions***

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS Pension Plan. The employer’s contribution rates as of September 30, 2018, were as follows:

	FRS	HIS
Regular class	6.60%	1.66%
Special risk class	22.84%	1.66%
Senior management service class	22.40%	1.66%
Elected officials	47.04%	1.66%
DROP from FRS	12.37%	1.66%

**Sebastian Inlet District, Florida**  
**Notes to Financial Statements**

**NOTE 5: DETAILED NOTES ON ALL FUNDS (Continued)**

**I. State of Florida Pension Plans (continued)**

**Defined Benefit Plans (continued)**

The employer's contributions for the year ended September 30, 2018, were \$29,188 to the FRS Pension Plan and \$4,791 to the HIS Program.

***Pension Liabilities and Pension Expense***

In its financial statements for the year ended September 30, 2018, the District reported a liability for its proportionate share of the net pension liability of the FRS Pension Plan and its proportionate share of the net pension liability of the HIS Program. The net pension liabilities were measured as of June 30, 2018. The District's proportions of the net pension liabilities were based on its share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	<b>FRS</b>	<b>HIS</b>
Net Pension Liability	\$ 302,205	\$ 93,078
Proportion at:		
Current measurement date	0.0010%	0.0009%
Prior measurement date	0.0014%	0.0010%
Pension expense	\$ 55,541	\$ 7,007

**Deferred Outflows/Inflows of Resources Related to Pensions**

At September 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>FRS</b>		<b>HIS</b>	
	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflow of Resources</b>	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflow of Resources</b>
Differences between expected and actual experience	\$ 25,601	\$ (929)	\$ 1,425	\$ (158)
Change of assumptions	98,746	-	10,351	(9,841)
Net difference between projected and actual earnings on pension plan investments	-	(23,349)	56	-
Changes in proportion and differences between District pension plan contributions and proportionate share of contributions	28,977	(82,190)	5,668	(7,089)
District pension plan contribution subsequent to the measurement date	7,761	-	1,217	-
Total	\$ 161,085	\$ (106,468)	\$ 18,717	\$ (17,088)



**Sebastian Inlet District, Florida**  
**Notes to Financial Statements**

**NOTE 5: DETAILED NOTES ON ALL FUNDS (Continued)**

**I. State of Florida Pension Plans (continued)**

**Deferred Outflows/Inflows of Resources Related to Pensions (continued)**

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2019. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending September 30:	FRS		HIS	
2019	\$	18,274	\$	288
2020		12,183		284
2021		1,874		202
2022		7,966		45
2023		5,623		(280)
Thereafter		936		(127)
<b>Total</b>	<b>\$</b>	<b>46,856</b>	<b>\$</b>	<b>412</b>

**Actuarial Assumptions**

The total pension liability for each of the defined benefit plans was measured as of June 30, 2018. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2018. For the HIS Program, the total pension liability was determined by an actuarial valuation dated July 1, 2017, rolled-forward using standard actuarial procedures. The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.60%	2.60%
Salary increases	3.25%	3.25%
Investment rate of return	7.00%	N/A
Discount rate	7.00%	3.87%

Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB.

For both plans, the actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

The following changes in key actuarial assumptions occurred in 2018:

FRS: The long-term expected rate of return and the discount rate used to determine the total pension liability decreased from 7.10% to 7.00%.

**NOTE 5: DETAILED NOTES ON ALL FUNDS (Continued)**

**I. State of Florida Pension Plans (continued)**

**Actuarial Assumptions (continued)**

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability increased from 3.58% to 3.87%.

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset allocation.

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1%	2.9%	2.9%
Fixed income	18%	4.4%	4.3%
Global equity	54%	7.6%	6.3%
Real estate	11%	6.6%	6.0%
Private equity	10%	10.7%	7.8%
Strategic investments	6%	6.0%	5.7%
Total	100%		

**Discount Rate**

The discount rate used to measure the total pension liability for the FRS Pension Plan was 7.00%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.87% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

**Sensitivity Analysis**

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the employer's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

**Sebastian Inlet District, Florida  
Notes to Financial Statements**

**NOTE 5: DETAILED NOTES ON ALL FUNDS (Continued)**

**I. State of Florida Pension Plans (continued)**

**Sensitivity Analysis (continued)**

<b>September 30, 2018</b>	<b>FRS</b>			<b>HIS</b>		
	Current			Current		
	Discount			Discount		
	1% Decrease	Rate	1% Increase	1% Decrease	Rate	1% Increase
	6.00%	7.00%	8.00%	2.87%	3.87%	4.87%
District's proportionate share of the net pension liability	\$ 551,537	\$ 302,205	\$ 95,120	\$ 106,010	\$ 93,078	\$ 82,298

**Pension Plans' Fiduciary Net Position**

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

**Defined Contribution Plan**

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2018, totaled \$7,722.

**J. Other Postemployment Benefits**

The District follows Section P52: *Postemployment Benefits Other Than Pensions* (OPEB) of the GASB Codification, for certain postemployment health care benefits provided by the District.

**Plan Description** – The District participates in the Brevard County, Florida (the "County") healthcare plan. The Brevard County Board of County Commissioners (the "Board") administers a single-employer defined benefit healthcare plan (the "Plan") that provides medical insurance to its employees and their eligible dependents. Pursuant to Section 112.0801 Florida Statutes, the District is required to provide eligible retirees (as defined in the County's pension plans) the opportunity to participate in this Plan at the same cost that is applicable to active employees. Eligible retirees must be drawing an immediate benefit from their respective pension plan and be enrolled in medical coverage prior to retirement. Surviving spouses of participants are allowed access to the Plan but must pay the full premium. Benefit provisions for the Plan were established by the Board on May 12, 1987 and may only be amended by the Board. The District does not issue stand-alone financial

**Sebastian Inlet District, Florida**  
**Notes to Financial Statements**

**NOTE 5: DETAILED NOTES ON ALL FUNDS (Continued)**

**J. Other Post-employment Benefits (continued)**

statements for this Plan. All financial information related to the Plan is accounted for in the District’s basic financial statements.

Employees who are active participants in the Plan at the time of retirement and are either age 62 with completion of six years of service or have 30 years of service are eligible to receive benefits. The District accounts for 3 active participants. There are no retirees of the District (or spouses of retirees) receiving benefits under the Plan. Of the total, none are eligible to receive benefits.

Benefit provisions can only be amended by the Board. On at least an annual basis, and prior to the enrollment process, the Board approves the rates for the coming year for the retiree, employee and County contributions. Neither the County nor the District has established a trust or agency fund for the Plan. Neither the County nor District issues stand-alone financial statements for this Plan. All financial information related to the Plan is accounted for in the District’s basic financial statements.

**Funding Policy** - The District is funding the Plan on a pay-as-you-go basis. The maximum employer contribution target is 56% of the annual premium cost of the Plan. The annual premium costs are between \$4,056 and \$8,616 for retirees and spouses under age 65 and between \$1,872 and \$6,312 for retirees and spouses over age 65. Employees hired prior to January 1, 2006 are eligible to receive 100% of the earned percentage of benefits for their lifetime upon attainment of age 62 and completion of six years of service or upon completing 30 years of service, if earlier. Employees hired on or after January 1, 2006 are eligible to receive a graduated earned percentage of benefits upon retirement based on years of service.

For the year ended September 30, 2018, the portion of contribution attributed to the District is \$1,920 which includes both an estimate of the implied subsidy described above and the explicit subsidy paid on behalf of eligible retirees.

**Plan Membership** – At October 1, 2018, OPEB membership consisted of the following:

	Number of covered individuals
Inactive members currently receiving benefits	1
Inactive members entitled to but not yet receiving benefits	-
Active members	3
Total	4

**Actuarial Assumptions and Other Inputs** – The total OPEB liability in the September 30, 2018 actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

**Sebastian Inlet District, Florida**  
**Notes to Financial Statements**

**NOTE 5: DETAILED NOTES ON ALL FUNDS (Continued)**

**J. Other Post-employment Benefits (continued)**

Inflation	1.50 percent
Salary Increases	3.50 percent projected annual salary increase
Discount rate	4.24 percent investment rate of return
Health care cost trend rates	7.00 percent using Society of Actuaries Long-Term Model
Retirees' share of benefit-related costs	44.00 percent of annual premium cost

Projections of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the October 1, 2018 actuarial valuation, the Entry Age Normal, Level Percent of Pay cost method was used. The actuarial assumptions included an annual healthcare cost trend rate of 7.00% initially, reduced by decrements to an ultimate rate of 5.00% after five years. The actuarial methods and assumptions used are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

At September 30, 2018 the District reported a Net OPEB liability of \$6,526. The GASB 75 information has been provided as of the September 30, 2018 measurement date.

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Change in Net OPEB Liability			
Balance as of October 1, 2017 for FYE 2017	\$ 10,010	\$ -	\$ 10,010
Changes for the year:			
Service cost	415	-	415
Interest	329	-	329
Changes of assumptions	(298)	-	(298)
Difference between expected and actual experience	(2,010)	-	(2,010)
Benefit payments	(1,920)	-	(1,920)
Net changes	(3,484)	-	(3,484)
Balance as of October 1, 2018 for FYE 2018	\$ 6,526	\$ -	\$ 6,526

Changes in assumptions and other inputs reflect a change in the discount rate from 1.00% as of September 30, 2017 to 4.24% as of September 30, 2018. The methods, assumptions, and participant data used are detailed in the actuarial valuation report dated October 1, 2018 with the

**Sebastian Inlet District, Florida**  
**Notes to Financial Statements**

**NOTE 5: DETAILED NOTES ON ALL FUNDS (Continued)**

**J. Other Post-employment Benefits (continued)**

exception of the actuarial cost method. These calculations are based in the Entry Age Normal cost method required by GASBC P52.

**Sensitivity of the Net OPEB Liability** - The following presents the District's OPEB liability as if it were calculated using a discount rate that is one percentage point lower or higher than the current discount rate:

	1% Decrease (3.24%)	Discount Rate (4.24%)	1% Increase (5.24%)
Net OPEB Liability	\$ 6,937	\$ 6,526	\$ 6,152

The following presents the District's OPEB liability as if it were calculated using a trend rate that is one percentage-point lower or higher than the current trend rate:

	1% Decrease (6.00%)	Healthcare Cost Trend Rate (7.00%)	1% Increase (8.00%)
Net OPEB Liability	\$ 6,111	\$ 6,526	\$ 6,986

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the fiscal year ended September 30, 2018, the District recognized an OPEB expense of \$1,737. In addition the District reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (1,482)
Change of assumptions	-	(265)
Total	\$ -	\$ (1,747)

**Sebastian Inlet District, Florida**  
**Notes to Financial Statements**

**NOTE 5: DETAILED NOTES ON ALL FUNDS (Continued)**

**J. Other Post-employment Benefits (continued)**

The amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in expense as follows:

Year Ending September 30,		
2019	\$	(218)
2020		(218)
2021		(218)
2022		(218)
2023		(218)
Thereafter		(657)
Total	\$	(1,747)

**K. Commitments**

The District had contractual commitments at September 30, 2018, of approximately \$467,532 for various projects at the Inlet. Future appropriations will fund these commitments as work is performed.

**L. Future Accounting Pronouncements**

The Governmental Accounting Standards Board has issued statements that will become effective in 2019. The statements address:

- Asset retirement obligations;
- Fiduciary activities;
- Leases;
- Disclosure related to debt; and
- Accounting for interest cost incurred before the end of a construction period.

The District is currently evaluating the effects that these statements will have on its 2019 financial statements.

**NOTE 6: SUBSEQUENT EVENTS**

The Commissioners approved a work order in November 2018 with dredging contractor Ferreira Construction Co. to dredge the sand trap and channel for an amount not to exceed \$2,945,943.

The District entered into a new lease for office equipment under an operating lease subsequent to year-end beginning on December 15, 2018 and expiring on December 15, 2023 with a payment of \$211 per month.

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**REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Sebastian Inlet District, Florida**  
**Schedule of Proportionate Share of Net Pension Liability**  
**Last Four Years**

<b>Florida Retirement System (FRS)</b>				
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
District's proportion of the net pension liability	0.0010%	0.0014%	0.0015%	0.0016%
District's proportionate share of the net pension liability	\$ 302,205	\$ 427,472	\$ 389,554	\$ 208,444
District's covered payroll	\$ 309,460	\$ 306,216	\$ 275,409	\$ 269,803
District's proportionate share of the net pension liability as a percentage of its covered payroll	97.66%	139.60%	141.45%	76.96%
Plan fiduciary net position as a percentage of the total pension liability	84.26%	83.89%	84.88%	92.00%

<b>Health Insurance Subsidy (HIS)</b>				
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
District's proportion of the net pension liability	0.0009%	0.0010%	0.0009%	0.0900%
District's proportionate share of the net pension liability	\$ 93,078	\$ 102,720	\$ 103,975	\$ 90,695
District's covered payroll	\$ 309,460	\$ 306,216	\$ 275,409	\$ 269,803
District's proportionate share of the net pension liability as a percentage of its covered payroll	30.08%	33.54%	37.75%	33.48%
Plan fiduciary net position as a percentage of the total pension liability	2.15%	1.64%	0.97%	92.00%

**Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the District is presenting information for only the years for which information is available.**

**Note 2: The Plan's fiduciary net position as a percentage of the total pension liability is published in Note 3K of the Plan's Comprehensive Annual Financial Report.**

**Note 3: Amounts presented for each fiscal year were determined as of 6/30.**

**Sebastian Inlet District, Florida  
Schedule of Contributions  
Last Four Years**

**Florida Retirement System (FRS)**

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$ 29,188	\$ 34,264	\$ 38,856	\$ 39,346
Contributions in relation to the contractually required contribution	(29,188)	(34,264)	(38,856)	(39,346)
<b>Contribution deficiency (excess)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
District's covered payroll	\$ 310,799	\$ 308,562	\$ 277,210	\$ 270,853
Contributions as a percentage of covered-employee payroll	9.39%	11.10%	14.02%	14.53%

**Health Insurance Subsidy (HIS)**

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$ 4,791	\$ 5,123	\$ 4,603	\$ 3,399
Contributions in relation to the contractually required contribution	(4,791)	(5,123)	(4,603)	(3,399)
<b>Contribution deficiency (excess)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
District's covered payroll	\$ 310,799	\$ 308,562	\$ 277,210	\$ 270,853
Contributions as a percentage of covered-employee payroll	1.54%	1.66%	1.66%	1.25%

**Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the District is presenting information for only the years for which information is available.**

**Sebastian Inlet District, Florida**  
**Schedule of Changes in OPEB Liability and Related Ratios**

September 30,	2018
Service cost	\$ 415
Interest	329
Difference between expected and actual experience	(2,010)
Changes of assumptions or other inputs	(298)
Benefit payments	(1,920)
Net change in total OPEB liability	(3,484)
Total OPEB liability - beginning	10,010
Total OPEB liability - ending	\$ 6,526
Covered-employee payroll	\$ 384,749
Total OPEB liability as a percentage of covered-employee payroll	1.70%

\* GASB 75 requires an employer to disclose a 10-year history. However, until a full 10-year trend is compiled, information will be presented only for those years which information is available.

\* The following discount rate was used in each period:

9/30/2017 - 1.00%

9/30/2018 - 4.24%

**Sebastian Inlet District, Florida**

**Schedule of Revenues, Expenditures, and Changes in General Fund Balances -  
Budget and Actual**

<i>Year ended September 30, 2018</i>	Original Budget	Final Budget	Actual (Budgetary Basis - See Note C)	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Taxes:				
Brevard County	\$ 1,681,760	\$ 1,681,760	\$ 1,634,561	\$ (47,199)
Indian River County	422,664	422,664	409,632	(13,032)
Intergovernmental	159,095	159,095	96,313	(62,782)
Interest and other	50,000	50,000	51,446	1,446
<b>Total revenues</b>	<b>2,313,519</b>	<b>2,313,519</b>	<b>2,191,952</b>	<b>(121,567)</b>
<b>Expenditures</b>				
Current:				
General government	803,963	803,963	697,701	106,262
Physical environment	9,144,556	9,144,556	1,007,213	8,137,343
<b>Total expenditures</b>	<b>9,948,519</b>	<b>9,948,519</b>	<b>1,704,914</b>	<b>8,243,605</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(7,635,000)</b>	<b>(7,635,000)</b>	<b>487,038</b>	<b>8,122,038</b>
<b>Fund balances, beginning of year</b>	<b>11,732,593</b>	<b>11,732,593</b>	<b>11,732,593</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 4,097,593</b>	<b>\$ 4,097,593</b>	<b>\$ 12,219,631</b>	<b>\$ 8,122,038</b>

*The accompanying notes to required supplementary information are an integral part of this financial schedule.*

## Sebastian Inlet District, Florida Notes to Required Supplementary Information

### A. Budgetary Information

The District Commissioners adopt an annual operating budget prior to September 30 for the next ensuing fiscal year. Legal budgets are adopted by resolution for the General Fund. The budget is prepared on a modified accrual basis with encumbrance accounting, which is consistent with accounting principles generally accepted in the United States of America.

Budgetary control is legally maintained at a department level. Budget transfers are provided to the District Administrator within categories, i.e. general government and physical environment, as long as the total budget of the categories is not increased. Actions which increase the total budget of a category must be authorized by the District Commissioners.

All appropriations which are not expended, encumbered or committed lapse at year end. Encumbered appropriations are carried forward to the subsequent year's budget.

### B. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year end are carried forward to the following year's budget and are reported as a reservation of fund balance in the governmental fund financial statements since they do not constitute actual expenditures or liabilities.

Actual results of operations are presented in accordance with generally accepted accounting principles (GAAP basis). The District's accounting policies do not recognize encumbrances as expenditures until the period in which the actual goods or services are received and a liability is incurred. It is necessary to include budgetary encumbrances to reflect actual revenues and expenditures on a basis consistent with the District's legally adopted budget.

### C. Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

The accompanying schedule of revenues, expenditures and changes in general fund balance - budget and actual on page 45, presents comparisons of the legally adopted budget with actual data on a budgetary basis. Because accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis, timing, perspective, and entry differences in the net changes in fund balance for the year ended September 30, 2018, is presented below:

Net change in fund balance – budgetary basis	\$	487,038
Differences – budget to GAAP:		
Outstanding encumbrances		467,532
Prior year encumbrances completed		(273,536)
<u>Net change in fund balance – GAAP basis</u>	<u>\$</u>	<u>681,034</u>

**ADDITIONAL ELEMENTS REQUIRED BY *GOVERNMENT AUDITING*  
STANDARDS AND THE RULES OF THE AUDITOR GENERAL**

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**INDEPENDENT AUDITORS' 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***

To the District Commissioners  
Sebastian Inlet District, 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 and major fund of the Sebastian Inlet District, Florida, as of and for the year ended September 30, 2018 and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 28, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Sebastian Inlet District, Florida's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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 Sebastian Inlet District, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of the Sebastian Inlet District, Florida'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 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. We did identify a certain deficiency in internal control, described below, that we consider to be a significant deficiency.

IC 2018-001    BANK RECONCILIATION

Condition: Cash in the trial balance did not agree to the bank reconciliation as of September 30, 2018.

Criteria: The District should reconcile its cash balances to the bank reconciliation after year-end closing entries. The reconciliation should be reviewed by someone independent of the preparer.

Cause: A number of checks totaling \$60,425 were accidentally backdated during the process of properly accruing the payables, which caused the cash balance to no longer agree to the bank reconciliation.

Effect: Cash and accounts payable, prior to audit adjustment, were understated by \$60,425.

Recommendation: We recommend that after year-end closing entries are made, the bank reconciliation should be checked against the trial balance to ensure that the balances still agree.

Management Response: The District will follow the recommendation as noted.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Sebastian Inlet District, Florida's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

*Cam, Riggs & Ingram, L.L.C.*

Melbourne, Florida  
March 28, 2019



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## **INDEPENDENT AUDITORS' MANAGEMENT LETTER**

To the District Commissioners  
Sebastian Inlet District, Florida

### **Report on the Financial Statements**

We have audited the financial statements of the Sebastian Inlet District, Florida as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated March 28, 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 Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on Compliance with Local Government Investment Policies on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 28, 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 findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding annual financial audit report.

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

Section 10.554(l)(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. The legal authority of the Sebastian Inlet District, Florida is disclosed in the footnotes. The Sebastian Inlet District, Florida has no component units.

## **Financial Condition and Management**

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Sebastian Inlet District, Florida has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Sebastian Inlet District, Florida did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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

## **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate 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 note 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 District Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Carly Riggs & Ingram, L.L.C.*

Melbourne, Florida  
March 28, 2019



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## **INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES**

To the District Commissioners  
Sebastian Inlet District, Florida  
Indianapolis, Florida

We have examined the Sebastian Inlet District, Florida's (the "District") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2018. Management of the District is responsible for the District's compliance with the specified requirements. Our responsibility is to express an opinion on the District's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide 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 requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2018.

This report is intended solely for the information and use of management and the State of Florida Auditor General 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  
March 28, 2019