

**St. Augustine Port, Waterway and  
Beach District**

**Required Communications**

**September 30, 2018**



**CRI** CARR  
RIGGS &  
INGRAM  
CPAs and Advisors

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## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
St. Augustine Port, Waterway and Beach District  
St. Augustine, Florida

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

We have audited the accompanying financial statements of the governmental activities and the General Fund of the St. Augustine Port, Waterway and Beach District (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 of 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.

### ***Basis for Qualified Opinion on Governmental Activities***

Real property is stated at estimated value based on appraisals that were not current at the donation dates of said assets in the accompanying Statement of Net Position of the governmental activities. In our opinion, such assets should be stated at cost, if purchased, or at fair value at the date the assets were donated, to conform with accounting principles generally accepted in the United States of America. The effects on the financial statements of the governmental activities of this departure are not reasonably determinable.

### ***Qualified Opinion***

In our opinion, except for the effects of valuing real estate at estimated value, as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the District as of September 30, 2018, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Unmodified Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the general fund of the District as of September 30, 2018, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the budgetary comparison schedule 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 Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information identified in the table of contents as schedule of expenditures is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 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.

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

St. Augustine, Florida

June 26, 2019

# St. Augustine Port, Waterway and Beach District

## Management's Discussion and Analysis

As management of the St. Augustine Port, Waterway and Beach District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for fiscal year ended September 30, 2018. Please read it in conjunction with the District's financial statements beginning on page 1 and the notes to the financial statements beginning on page 3.

### ***Financial Highlights***

The following are various financial highlights for fiscal year 2018:

- The District's overall net position increased by approximately \$439,000.
- Total ending unrestricted net position was approximately \$2.4 million, largely corresponding to investments.
- The District had total expenses for the year of \$565,744, compared to revenues of \$1,004,742.

### ***Basic Financial Statements***

The District is engaged in a single governmental program and administers only one fund, the General Fund. It has taken the option of presenting combined fund financial statements and government-wide statements using a columnar format that reconciles fund financial data to government-wide data in a separate column.

The Statement of Net Position and Governmental Fund Balance Sheet reports the District's financial position as of the end of the fiscal year for both the General Fund and the governmental activities.

The Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balances reports changes in financial position of the General Fund and the governmental activities, and the degree to which the functional expenses are offset by program revenues for the governmental activities.

# St. Augustine Port, Waterway and Beach District

## Management's Discussion and Analysis

### Condensed Financial Information

#### Net Position

	2018	2017
Assets:		
Non-capital assets	\$ 2,432,869	\$ 2,201,996
Capital assets	100,423	103,133
<b>Total assets</b>	<b>2,533,292</b>	<b>2,305,129</b>
Liabilities:		
Current liabilities	54,916	265,751
Net position:		
Investment in capital assets	100,423	103,133
Unrestricted	2,377,953	1,936,245
<b>Total net position</b>	<b>\$ 2,478,376</b>	<b>\$ 2,039,378</b>

#### Change in Net Position

	2018	2017
Program revenues:		
Operating grants	\$ 153,290	2,971,983
General revenues:		
Taxes	489,195	457,863
Miscellaneous	362,257	7,945
<b>Total revenues</b>	<b>1,004,742</b>	<b>3,437,791</b>
Program expenses:		
Transportation	565,744	3,408,781
<b>Change in net position</b>	<b>438,998</b>	<b>29,010</b>
<b>Beginning net position, as restated</b>	<b>2,039,378</b>	<b>2,010,368</b>
<b>Ending net position</b>	<b>\$ 2,478,376</b>	<b>\$ 2,039,378</b>

# St. Augustine Port, Waterway and Beach District

## Management's Discussion and Analysis

### **Financial Information**

As of September 30, 2018, the District had net position of \$2,478,376. This represents an increase of \$438,998 from the prior year. The following tabulation outlines the components of the District's assets as of September 30:

	2018	2017
Cash and investments	\$ 2,432,869	\$ 2,201,996
Capital assets	100,423	103,133
Total assets	\$ 2,533,292	\$ 2,305,129

The primary source of revenue for the District is generally ad-valorem taxes, with additional revenues earned in the form of interest on cash deposits and investments. For the year ended September 30, 2018, the District had ad-valorem tax revenues of \$489,195. Interest earnings on cash deposits totaled \$5,401. In addition, for 2018, the District recognized operating grant revenue of \$153,290. The increase in net position during the audit period was a reflection of a reimbursement from the County for repairs related to Hurricane Matthew.

### **Budgetary Highlights – General Fund**

There were no changes between the original and final budgets for the General Fund. The budget presentation for 2018 includes the grant project budget.

Revenues received in the General Fund were higher than budgeted amounts due to a reimbursement for repairs related to Hurricane Matthew from the County.

General Fund expenditures were lower than budgeted amounts.

### **Capital Assets and Debt Administration**

Capital Assets – There was no significant capital asset activity during 2018. Note 3 of the accompanying financial statements presents the District's capital asset activity.

Long-Term Debt – The District had no long-term liabilities at September 30, 2018.

### **Economic Factors**

We are not currently aware of any conditions that are expected to have a significant effect on the District's financial position or results of operations.





## St. Augustine Port, Waterway and Beach District

### Management's Discussion and Analysis

#### *Requests for Information*

The financial report is designed to present users with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions concerning any of the information provided in this report or need additional information, contact the District's Secretary/Treasurer, Elyse Kemper.

St. Augustine Port, Waterway and Beach District

Statement of Net Position and Governmental Fund Balance Sheet  
September 30, 2018

	General Fund	Adjustments (Note 3)	Statement of Net Position
<b>Assets</b>			
Cash	\$ 533,208	\$ -	\$ 533,208
Investments	1,899,661	-	1,899,661
Capital assets:			
Non-depreciable	-	82,800	82,800
Depreciable, net	-	17,623	17,623
<b>Total assets</b>	<b>\$ 2,432,869</b>	<b>100,423</b>	<b>2,533,292</b>
<b>Liabilities</b>			
Unearned revenue	\$ 54,916	-	54,916
<b>Total liabilities</b>	<b>54,916</b>	<b>-</b>	<b>54,916</b>
<b>Fund balance</b>			
Assigned fund balance:			
Law enforcement overtime	3,393	(3,393)	-
Maps	15,000	(15,000)	-
Marine projects	123,150	(123,150)	-
Permits and dredging	200,000	(200,000)	-
Unassigned fund balance	2,036,410	(2,036,410)	-
<b>Total fund balance</b>	<b>2,377,953</b>	<b>-</b>	<b>2,377,953</b>
<b>Total liabilities and fund balance</b>	<b>\$ 2,432,869</b>	<b>(2,377,953)</b>	<b>54,916</b>
<b>Net position</b>			
Investment in capital assets		100,423	100,423
Unrestricted		2,377,953	2,377,953
<b>Total net position</b>		<b>\$ 2,478,376</b>	<b>\$ 2,478,376</b>

The accompanying "Notes to Financial Statements"  
form an integral part of the statement.

**St. Augustine Port, Waterway and Beach District**

**Statement of Activities and Governmental Fund Revenues,  
Expenditures and Changes in Fund Balance  
Year ended September 30, 2018**

	General Fund	Adjustments (Note 3)	Statement of Activities
<b>Expenditures/expenses</b>			
Transportation	\$ 563,034	\$ 2,710	\$ 565,744
<b>Program revenues</b>			
Operating grants	153,290	-	153,290
Net revenues (expense)			(412,454)
<b>General revenues</b>			
Taxes	489,195	-	489,195
Miscellaneous	362,257	-	362,257
Total general revenues	851,452	-	851,452
<b>Excess of revenues over (under) expenditures</b>	441,708	(441,708)	-
<b>Change in net position</b>	-	438,998	438,998
<b>Fund balance/net position</b>			
Beginning of year	1,936,245	103,133	2,039,378
End of year	\$ 2,377,953	\$ 100,423	\$ 2,478,376

*The accompanying "Notes to Financial Statements"  
form an integral part of the statement.*

**Notes to Financial Statements**

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

***Reporting Entity***

The District is an independent special district, created in 1937 by the legislature of the State of Florida (Chapter 18879, and ratified, restated and approved by Chapter 2000-478, Laws of Florida). It operates under the direction of a Board of Commissioners elected by registered voters within the District.

The main purpose of the District is to improve and maintain the waterways within the District. It is designed to foster commercial use of the port, harbor, and waterways.

The District uses the criteria established in GASB Statement No. 14, as amended, to define the reporting entity and identify component units. Component units are entities for which the District is considered to be financially accountable or entities that would be misleading to exclude. There are no entities to consider for inclusion as a component unit within the District's reporting entity. The District did not participate in any joint ventures during the 2017-2018 fiscal year.

***Basic Financial Statements***

The District is engaged in a single governmental program and administers only one fund, the General Fund. It has taken the option of presenting combined fund financial statements and government-wide statements using a columnar format that reconciles fund financial data to government-wide data in a separate column.

The Statement of Net Position and Governmental Fund Balance Sheet reports the District's financial position as of the end of the fiscal year for both the General Fund and the governmental activities.

The Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balances reports changes in financial position of the General Fund and the governmental activities, and the degree to which the functional expenses are offset by program revenues for the governmental activities.

***Measurement Focus/Basis of Accounting***

The General Fund's 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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when the related fund liability is incurred.

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.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Cash Deposits***

All of the cash deposits of the District are placed with qualified public depositories and are entirely insured by Federal depository insurance and/or collateralized pursuant to Chapter 280, Florida Statutes.

***Investments***

Section 218.415, Florida Statutes, authorizes the District to invest in the Local Government Investment Pool, Security and Exchange Commission (“SEC”) registered money market funds with the highest credit quality rating, interest-bearing time deposits or savings accounts in qualified public depositories and direct obligations of the U.S. Treasury.

***Capital Assets***

Capital assets are recorded at historical cost or estimated historical cost, except for contributed assets which are recorded at acquisition value at the date of contribution and land which is recorded at estimated value. The District uses a capitalization threshold of \$5,000 for all classes of capital assets.

The District owns no infrastructure assets.

Depreciation of signage and markers is provided using the straight-line method over the estimated useful lives of the assets, which is 30 years.

***Net Position***

Net position represents the difference between assets and liabilities reported for the governmental activities. Net position is reported as *restricted* when there are externally imposed restrictions or restrictions imposed by enabling legislation. *Unrestricted* net position is net position that does not meet the definition of the classification previously described.

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

***Fund Balance***

The District follows the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

Fund balance classifications are described below:

*Nonspendable Fund Balance* – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Restricted Fund Balance* – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed Fund Balance* – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the District’s highest level of decision-making authority, which is a resolution of the Board of Directors. Committed amounts cannot be used for any other purpose unless the District removes those constraints by taking the same type of action.

*Assigned Fund Balance* – Assigned fund balances are amounts that are constrained by the District’s intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Board of Directors or (b) a body or official to which the Board has delegated the authority to assign amounts to be used for specific purposes.

*Unassigned Fund Balance* – Unassigned fund balance is the residual classification for the General Fund.

The District’s policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

**Property Taxes**

In the General Fund, property tax revenues are recognized when levied, to the extent that they result in current receivables.

Details of the property tax calendar are presented below.

Lien date	January 1
Levy date	October 1
Discount periods	November – February
No discount period	March
Delinquent date	April 1

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

# St. Augustine Port, Waterway and Beach District

## Notes to Financial Statements

### NOTE 2 – INVESTMENTS

The District’s investments at September 30, 2018 are summarized in the following table:

	Amount	S&P Rating
Florida PRIME	\$ 22,291	AAAm
Money market	1,877,370	Not rated
Total	\$ 1,899,661	

The District’s investments expose it to credit risk and interest rate risk. The District does not have formal policies relating to these risks, which are hereafter described.

*Credit Risk* – The risk that an issuer or other counterparty to an investment will not fulfill its obligations.

*Interest Rate Risk* - The risk that changes in interest rates will adversely affect the fair value of an investment.

#### **Money Market Account**

The District’s money market account is in a qualified public depository and is entirely insured and/or collateralized pursuant to Chapter 280, Florida Statutes.

#### **Florida PRIME**

The District’s investment in the Local Government Surplus Trust Fund (“Florida PRIME”) is administered by the Florida State Board of Administration (“SBA”), who provides regulatory oversight, as defined in Florida Statute 218.409.

Florida PRIME is an external investment pool that meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost. Therefore, the District’s investment in Florida PRIME is reported at amortized cost. The fair value of the position in the pool is equal to the value of the pool shares. The dollar weighted average days to maturity (WAM) of the Florida PRIME at September 30, 2018, was 33 days and the weighted average life was 72 days.

As of September 30, 2018, there were no redemption fees, maximum transaction amounts or liquidity fees, although Florida Statutes do provide authority for the SBA to impose penalties for early withdrawals in certain situations.

# St. Augustine Port, Waterway and Beach District

## Notes to Financial Statements

### NOTE 3 – CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2018 follows:

	Balance October 1, 2017	Increases	Decreases	Balance September 30, 2018
<b>Capital assets not being depreciated:</b>				
Land	\$ 82,800	\$ -	\$ -	\$ 82,800
<b>Capital assets being depreciated:</b>				
Signage	81,314	-	-	81,314
<b>Less accumulated depreciation:</b>				
Signage	60,981	2,710	-	63,691
Total capital assets being depreciated, net	20,333	(2,710)	-	17,623
<b>Capital assets, net</b>	<b>\$ 103,133</b>	<b>\$ (2,710)</b>	<b>\$ -</b>	<b>\$ 100,423</b>

### NOTE 4 – RISK MANAGEMENT

The District is exposed to various risks of loss including general liability, property, and officials' liability. To manage its risks, the District has commercial insurance and participates in the Preferred Governmental Insurance Trust (the "Trust") a public entity risk pool currently operating as a common risk management and insurance program for the district and other eligible entities. The District pays an annual premium to the Trust for its coverage. The premiums are designed to fund the liability risks assumed by the Trust and are based on certain actual exposures of each member.



## **Required Supplementary Information**

**St. Augustine Port, Waterway and Beach District**

**Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual – General Fund  
Year ended September 30, 2018**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 492,730	\$ 492,730	\$ 489,195	\$ (3,535)
Intergovernmental	195,112	195,112	153,290	(41,822)
Miscellaneous	5,400	5,400	362,257	356,857
<b>Total revenues</b>	<b>693,242</b>	<b>693,242</b>	<b>1,004,742</b>	<b>311,500</b>
<b>Expenditures</b>				
Transportation	650,936	650,936	563,034	87,902
<b>Excess of revenues over expenditures</b>	<b>42,306</b>	<b>42,306</b>	<b>441,708</b>	<b>399,402</b>
<b>Fund balances – beginning of year</b>	<b>1,852,200</b>	<b>1,852,200</b>	<b>1,936,245</b>	<b>84,045</b>
<b>Fund balances – end of year</b>	<b>\$ 1,894,506</b>	<b>\$ 1,894,506</b>	<b>\$ 2,377,953</b>	<b>\$ 483,447</b>

Note to Schedule:

The budget is prepared by the Treasurer and approved by the Board of Commissioners. The final budgeted revenues and expenditures reflect all amendments approved by the Board of Commissioners. The budget is prepared on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles. The fund is the legal level of control. The budget for grant revenues represents the remainder allowed per the grant agreement.

## **Supplementary Information**



**St. Augustine Port, Waterway and Beach District**

**Schedule of Expenditures  
Year ended September 30, 2018**

Accounting	\$	5,880
Professional services		8,600
Commissioner pay		245
Travel allowance		6,300
Collection cost - ad valorem tax		26,564
Engineering		11,270
Insurance		500
Legal		9,383
Secretarial		17,400
Telephone		1,493
County assessment		7,227
Rent		1,200
District projects		234,647
Web hosting		625
Summer Haven project		229,037
Other		2,663
		<hr/>
	\$	563,034
		<hr/> <hr/>

**Additional Elements Required by the  
Rules of the Auditor General**

**MANAGEMENT LETTER**

Board of Commissioners  
St. Augustine Port, Waterway and Beach District  
St Augustine, Florida

***Report on the Financial Statements***

We have audited the financial statements of the St. Augustine Port, Waterway and Beach District, (the “District”) as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated June 26, 2019. That report should be considered in conjunction with this management letter.

***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 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 June 26, 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 financial audit report. If the audit findings in the preceding audit report are uncorrected, we are required to identify those findings that were also included in the second preceding audit report.

<b>Tabulation of Uncorrected Audit Findings</b>		
<b>Current Year Finding #</b>	<b>2016-17 FY Finding #</b>	<b>2015-16 FY Finding #</b>
2018-001	2017-001	2016-001

### ***Financial Condition and Management***

Sections 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 District 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 District 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 District. It is management's responsibility to monitor the District'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 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, the members of the governing board of the District, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

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

St. Augustine, Florida  
June 26, 2019

**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***

Board of Commissioners  
St. Augustine Port, Waterway and Beach District  
St. Augustine, Florida

We have audited, 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, the financial statements of the governmental activities and the general fund of the St. Augustine Port, Waterway and Beach District (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, and have issued our report thereon dated June 26, 2019. In our report, our opinion on the financial statements of the governmental activities was qualified because real estate was valued using estimated value, which does not conform with accounting principles generally accepted in the United States of America.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify deficiencies in internal control, described in the accompanying Schedule of Findings as items 2018-001 and 2018-002 that we consider to be material weaknesses.



### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***The District's Response to Finding***

The District's response to the findings identified in our audit is described in its accompanying letter of response. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### ***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.

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

St. Augustine, Florida

June 26, 2019



Carr, Riggs & Ingram, LLC  
1301 Plantation Island Drive  
Suite 205A  
St. Augustine, Florida 32080

(904) 471-3445  
(904) 471-3825 (fax)  
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## INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

Board of Commissioners  
St. Augustine Port, Waterway and Beach District  
St. Augustine, Florida

We have examined the St. Augustine Port, Waterway and Beach District'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 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 we 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 aforementioned requirements 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.*

St. Augustine, Florida  
June 26, 2019

## St. Augustine Port, Waterway and Beach District

### Schedule of Findings Year ended September 30, 2018

**2018-001** (Reported in previous audit reports as items 2017-001 and 2016-001)

**Criteria:** Adequate controls should be in place to allow management or personnel, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements in a timely basis. Although the small size of the business office staff limits the extent of separation of duties, we believe certain steps could be taken to separate incompatible duties. The basic premise is that no one individual should have access to both physical assets and the related accounting records or to all phases of a transaction.

**Condition:** The Treasurer handles incoming checks, prepares the deposit slip, posts receipts to accounts receivable and the general ledger, and receives and reconciles the monthly bank statement.

**Cause:** Because of a limited number of available personnel, it is not always possible to adequately segregate incompatible duties so that no one individual has access to both physical assets and the related accounting records, or to all phases of a transaction.

**Effect:** Incompatible duties are not adequately separated. The result is that intentional or unintentional errors could be made and not detected.

**Recommendation:** To the extent possible, given available personnel, steps should be taken to separate duties so that no one individual has access to both physical assets and the related accounting records, or to all phases of a transaction.

**Views of responsible officials:** See accompanying corrective action plan

**2018-002** **Criteria:** Financial statements must be presented in accordance with generally accepted accounting principles.

**Condition:** As part of the audit process, we proposed material adjustments to the District's financial statements for 2017-18 balances, as well as an adjustment to opening fund balance/net position. It was also necessary for us to assist with the preparation of the District's financial statements.

**Cause:** The unearned portion of advance funding held at year-end was not classified as such, as well as an adjustment to reconcile fund balance. Personnel required assistance to prepare financial statements, including notes, in accordance with generally accepted accounting principles.



## St. Augustine Port, Waterway and Beach District

### Schedule of Findings Year ended September 30, 2018

**Effect:** Our proposed adjustments were accepted by management, enabling the financial statements to be fairly presented in conformity with generally accepted accounting practices.

**Recommendation:** The District should consider and evaluate the costs and benefits of improving internal controls relative to the financial reporting process.

**Views of responsible officials:** See accompanying corrective action plan

**St. Augustine Port, Waterway & Beach District**

P.O. Box 4512  
St. Augustine, Florida 32085-4512  
(904) 824-0113

June 26, 2019

Auditor General State of Florida  
Tallahassee, Florida

Gentlemen:

In response to the comments contained in the September 30, 2018 financial reports issued by your auditors, Carr, Riggs & Ingram, Inc., we offer the following:

Auditors' Report on Internal Control - 2018-001 Segregation of Duties

The District's size does not require a full-time administrative staff. As a result, it is impossible to have effective internal controls using segregation of duties. We do have other practices, which lessen the likelihood of fraud. We require two signers on every disbursement check. The individual who reconciles the bank account is not a signer on the disbursement checks. Collections from ad valorem taxes are deposited directly to our bank account by the tax collector. The Secretary-Treasurer is covered by a fidelity bond. The District commissioners receive a detailed report by vendor of all disbursements on a monthly basis.

Auditors Report on Financial Statement – 2018- 002

The District will review and improve procedures for year-end closeout.

The District has determined that is cost effective to outsource the preparations of financial statements to the auditors.

  
Commissioner  
Tom Rivers

  
Elyse Kemper Secretary/Treasurer



**Carr, Riggs & Ingram, LLC**  
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June 26, 2019

To the Board of Commissioners  
St. Augustine Port, Waterway and Beach District

We are pleased to present the results of our audit of the 2018 financial statements of the St. Augustine Port, Waterway and Beach District (the "District").

This communication summarizes our audit, the report issued and various analyses and observations related to the financial accounting and reporting practices followed. The document also contains the communications required by our professional standards.

The audit was designed, primarily, to express an opinion on the 2018 financial statements. We considered an assessment of risks that could materially affect the financial statements and aligned our audit procedures accordingly. We conducted the audit with the objectivity and independence that you expect. We received the full support and assistance of your personnel.

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

This information is intended solely for the information and use of you and management and is not intended to be, and should not be, used by anyone other than these specified parties.

We appreciate this opportunity to work with you. If you have any questions or comments, please contact us.

Very truly yours,

*Carr, Riggs & Ingram, LLC*

CARR, RIGGS & INGRAM, LLC  
CERTIFIED PUBLIC ACCOUNTANTS



## Required Communications

As discussed with management during our planning process, our audit plan represented an approach responsive to the assessment of risk for the District. Specifically, we planned and performed our audit to:

- Perform audit services in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, in order to express an opinion on the financial statements as of and for the year ended September 30, 2018;
- Communicate directly with management regarding the results of our procedures;
- Anticipate and respond to your concerns and those of management; and
- Other audit-related projects as they arise and upon request.

## Required Communications

We have audited the financial statements for the year ended September 30, 2018, and have issued our report thereon dated June 26, 2019. Professional standards require that we provide you with the following information related to our audit:

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<b>Auditors' responsibility under Generally Accepted Auditing Standards</b>	<p>We have audited the financial statements of the District for the year ended September 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and <i>Government Auditing Standards</i>, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter dated November 4, 2016. Professional standards also require that we communicate to you the following information related to our audit.</p>
<b>Client's responsibility</b>	<p>Management, with oversight from those charged with governance, is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of financial position, results of operations, and cash flows in conformity with the applicable framework. Management is responsible for the design and implementation of programs and controls to prevent and detect fraud.</p>
<b>Planned scope and timing of the audit</b>	<p>Our initial audit plan was not significantly altered during our fieldwork.</p>
<b>Management judgments and accounting estimates</b> <i>The process used by management in forming particularly sensitive accounting estimates and the basis for the auditors' conclusion regarding the reasonableness of those estimates.</i>	<p>Please see the following section titled "Accounting Policies, Judgments and Sensitive Estimates and CRI Comments on Quality."</p>
<b>Financial statement disclosures</b>	<p>Certain financial statement disclosures are sometimes particularly sensitive because of their significance to financial statement users. There were no particularly sensitive disclosures significantly affecting the financial statements.</p>



## Required Communications

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p><b>Potential effect on the financial statements of any significant risks and exposures</b>  <i>Major risks and exposures facing the District and how they are disclosed.</i></p>	<p>No such risks or exposures were noted.</p>
<p><b>Significant accounting policies, including critical accounting policies and alternative treatments within generally accepted accounting principles and the auditors' judgment about the quality of accounting principles</b></p> <ul style="list-style-type: none"> <li>• <i>The initial selection of and changes in significant accounting policies or their application; methods used to account for significant unusual transactions; and effect of significant policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</i></li> <li>• <i>The auditor should also discuss the auditors' judgment about the quality, not just the acceptability, of the District's accounting policies as applied in its financial reporting. The discussion should include such matters as consistency of accounting policies and their application, and clarity and completeness of the financial statements, including disclosures.</i>  <i>Critical accounting policies and practices applied by the District in its financial statements and our assessment of management's disclosures regarding such policies and practices (including any significant modifications to such disclosures proposed by us but rejected by management), the reasons why certain policies and practices are or are not considered critical, and how current and anticipated future events impact those determinations;</i></li> <li>• <i>Alternative treatments within GAAP for accounting policies and practices related to material items, including recognition, measurement, presentation and disclosure alternatives, that have been discussed with client management during the current audit period, the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the auditor; Furthermore, if the accounting policy selected by management is not the policy preferred by us, discuss the reasons why management selected that policy, the policy preferred by</i></li> </ul>	<p>Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year.</p>

## Required Communications

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p><i>us, and the reason we preferred the other policy.</i></p>	
<p><b>Significant difficulties encountered in the audit</b>  <i>Any significant difficulties, for example, unreasonable logistical constraints or lack of cooperation by management.</i></p>	None.
<p><b>Disagreements with management</b>  <i>Disagreements, whether or not subsequently resolved, about matters significant to the financial statements or auditors' report. This does not include those that came about based on incomplete facts or preliminary information.</i></p>	None.
<p><b>Other findings or issues</b>  <i>Matters significant to oversight of the financial reporting practices by those charged with governance. For example, an entity's failure to obtain the necessary type of audit, such as one under Government Auditing Standards, in addition to GAAS.</i></p>	None.
<p><b>Matters arising from the audit that were discussed with, or the subject of correspondence with, management</b>  <i>Business conditions that might affect risk or discussions regarding accounting practices or application of auditing standards.</i></p>	We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
<p><b>Corrected and uncorrected misstatements</b>  <i>All significant audit adjustments arising from the audit, whether or not recorded by the District, that could individually or in the aggregate have a significant effect on the financial statements. We should also inform the Committee about uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented, that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Any internal control deficiencies that could have prevented the misstatements.</i></p>	See "Summary of Audit Adjustments" section.

## Required Communications

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p><b>Major issues discussed with management prior to retention</b>  <i>Any major accounting, auditing or reporting issues discussed with management in connection with our initial or recurring retention.</i></p>	None.
<p><b>Consultations with other accountants</b>  <i>When management has consulted with other accountants about significant accounting or auditing matters.</i></p>	None of which we are aware.
<p><b>Written representations</b>  <i>A description of the written representations the auditor requested (or a copy of the representation letter).</i></p>	See "Management Representation Letter" section.
<p><b>Other information in documents containing audited financial statements</b>  <i>The external auditors' responsibility for information in a document containing audited financial statements, as well as any procedures performed and the results.</i></p>	<p>Our responsibility related to documents (including annual reports, websites, etc.) containing the financial statements is to read the other information to consider whether:</p> <ul style="list-style-type: none"> <li>• Such information is materially inconsistent with the financial statements; and</li> <li>• We believe such information represents a material misstatement of fact.</li> </ul> <p>We have not been provided any such items to date and are unaware of any other documents that contain the audited financial statements.</p>
<p><b>Required supplementary information</b>  <i>The auditors' responsibility for required supplementary information accompanying the financial statements, as well as any procedures performed and the results.</i></p>	<p>We applied certain limited procedures to the required supplementary information (RSI) that supplements the financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.</p>

## Accounting Policies, Judgments and Sensitive Estimates & CRI Comments on Quality

We are required to communicate our judgments about the quality, not just the acceptability, of the District’s accounting principles as applied in its financial reporting. We are also required to communicate critical accounting policies and sensitive accounting estimates. The Members of the Governing Board may wish to monitor throughout the year the process used to compute and record these accounting estimates. The table below summarizes our communications regarding these matters.

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Acquisition value of donated capital assets	Assets should be stated at cost, if purchased, or at fair value at the date the assets were donated, to conform with accounting principles generally accepted in the United States of America.	X	Real property is stated at estimated value based on appraisals that were not current at the donation dates of said assets.	We examined the key factors and assumptions used to develop the estimate and evaluated the estimate and found it to be reasonable in relation to the financial statements taken as a whole.

## Summary of Audit Adjustments

During the course of our audit, we accumulate differences between amounts recorded by the District and amounts that we believe are required to be recorded under GAAP reporting guidelines. Those adjustments are either recorded (corrected) by the District or passed (uncorrected). There were no passed (uncorrected) adjustments.

Below is a summary of corrected misstatements.

<b>Adjusting Journal Entries</b>			
<b>Adjusting Journal Entries JE # 1</b>			
To reverse unearned revenue adjustment from prior year			
405	Unearned revenue	158,206	
636	Grant Revenue Income		158,206
<b>Total</b>		<b>158,206</b>	<b>158,206</b>
<b>Adjusting Journal Entries JE # 2</b>			
To record unearned revenue at year end for the DEP grant project			
636	Grant Revenue Income	54,916	
405	Unearned revenue		54,916
<b>Total</b>		<b>54,916</b>	<b>54,916</b>
<b>Reclassifying Journal Entries</b>			
<b>Reclassifying Journal Entries JE # 3</b>			
To reconcile retained earnings			
558	Retained Earnings	158,206	
405	Unearned revenue		158,206
<b>Total</b>		<b>158,206</b>	<b>158,206</b>
<b>Reclassifying Journal Entries JE # 4</b>			
To reclass County contributed revenue from grant funds account for FS presentation purposes			
636	Grant Revenue Income	352,464	
637	County Contribution		352,464
<b>Total</b>		<b>352,464</b>	<b>352,464</b>

### QUALITATIVE MATERIALITY CONSIDERATIONS

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

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



## St. Augustine Port, Waterway & Beach District

P.O. Box 4512  
St. Augustine, Florida 32085-4512  
(904) 824-0113

June 26, 2019

Carr, Riggs & Ingram, LLC  
1301 Plantation Island Drive Suite 205A  
St. Augustine, FL 32080

This representation letter is provided in connection with your audit of the financial statements of The St. Augustine Port, Waterway & Beach District (the "District"), which comprise the respective financial position of the governmental activities and general fund information as of September 30, 2018, and the respective changes in financial position for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of June 26, 2019, the following representations made to you during your audit.

### Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated November 4, 2016, as amended on April 4, 2018 and July 16, 2018, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) We are not aware of any pending or threatened litigation, claims, and assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted an attorney concerning litigation, claims or assessments.
- 9) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.



## Information Provided

- 10) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of the District or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the District and involves—
  - Management,
  - Employees who have significant roles in internal control, or
  - Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.
- 15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 16) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 17) We have disclosed to you the identity of the District's related parties and all the related party relationships and transactions of which we are aware.

## Government-specific

- 18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 19) We have a process to track the status of audit findings and recommendations.
- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 21) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 22) The District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 24) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 25) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.



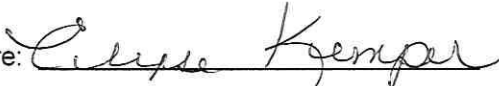
- 26) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 27) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 28) As part of your audit, you assisted with preparation of the financial statements and related notes, the Annual Financial Report and maintaining the depreciation schedule. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
- 29) In regard to the nonaudit services performed by you, we have—
  - a) Assumed all management responsibilities.
  - b) Designated Elyse Kemper, who has suitable skill, knowledge, or experience to oversee the services.
  - c) Evaluated the adequacy and results of the services performed.
  - d) Accepted responsibility for the results of the services.
- 30) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 31) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 32) The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34 .
- 33) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 34) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 35) Investments are properly valued.
- 36) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 37) Revenues are appropriately classified in the statement of activities within program revenues and general revenues.
- 38) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 39) Capital assets are properly capitalized, reported, and, if applicable, depreciated.
- 40) We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 41) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 42) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

43) With respect to the Schedule of Expenditures:

- a) We acknowledge our responsibility for presenting the Schedule of Expenditures in accordance with accounting principles generally accepted in the United States of America, and we believe the Schedule of Expenditures, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the Schedule of Expenditures have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
- b) If the Schedule of Expenditures is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

Signature:  \_\_\_\_\_

Title: Commissioner

Signature:  \_\_\_\_\_

Title: Secretary/Treasurer



## St. Augustine Port, Waterway & Beach District


June 26, 2019

P.O. Box 4512  
St. Augustine, Florida 32085-4512  
(904) 824-0113


Carr, Riggs & Ingram, LLC  
1301 Plantation Island Dr. Suite#205A  
Saint Augustine, Florida 32080

In connection with your examination of St. Augustine Port, Waterway and Beach District's (the "District") compliance with Section 218.415, Florida Statutes, for the year ended September 30, 2018, for the purpose of expressing an opinion about whether the District has complied with the aforementioned statutes, in all material respects, we confirm, to the best of our knowledge and belief, the following representations made to you during the course of your engagement:

- 1) We are responsible for complying with Section 218.415, Florida Statutes.
- 2) We are responsible for establishing and maintaining effective internal control over compliance.
- 3) We have performed an evaluation of the District's compliance with Section 218.415, Florida Statutes.
- 4) All relevant matters are reflected in the measurement or evaluation of the District's compliance with the specified requirements.
- 5) We are responsible for selecting the specified requirements and for determining that the specified requirements are appropriate for our purposes.
- 6) We have disclosed to you all knowledge of actual, suspected, or alleged fraud or noncompliance with laws or regulations affecting the District's compliance with Section 218.415, Florida Statutes, including noncompliance after September 30, 2018.
- 7) We have provided you with all relevant information and access to information and personnel in connection with your examination of compliance with Section 218.415, Florida Statutes.
- 8) We have disclosed to you all known matters that may contradict the District's compliance with the specified requirements and we have disclosed to you all communications from regulatory agencies, internal auditors, other independent accountants or consultants, and others regarding possible noncompliance with Section 218.415, Florida Statutes, including communications received between September 30, 2018 and June 26, 2019.
- 9) We have responded fully to all inquiries made to us by you during the engagement.

Signature: 

Title: Commissioner

Signature: 

Title: Secretary/Treasurer