



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

**Financial Statements**  
September 30, 2020

<b>REPORT</b>	
Independent Auditors’ Report	i
<b>MANAGEMENT’S DISCUSSION AND ANALYSIS</b>	iv
<b>BASIC FINANCIAL STATEMENTS</b>	
Statement of Net Position and Governmental Fund Balance Sheet	1
Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance	2
Notes to Financial Statements	3
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	8
<b>SUPPLEMENTARY INFORMATION</b>	
Schedule of Expenditures	9
<b>ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR</b>	
<b>GENERAL</b>	
Management Letter	10
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 <i>Government Auditing Standards</i>	12
Independent Accountant’s Report on Compliance with Section 218.415, Florida Statutes	14
Schedule of Findings	15
Response to Auditors’ Comments	--



Carr, Riggs & Ingram, LLC  
7411 Fullerton Street  
Suite 300  
Jacksonville, FL 32256

904.356.6023  
904.353.5836 (fax)  
CRlcpa.com

## 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, 2020, 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 donated 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, 2020, 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, 2020, 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 23, 2021 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.*

Jacksonville, Florida  
June 23, 2021

## **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, 2020. We encourage the readers to consider the information presented here 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 2020:

- The District's overall net position increased by approximately \$247,000.
- Total ending unrestricted net position was approximately \$2.4 million, largely corresponding to investments.
- The District had total expenses for the year of \$328,636, compared to revenues of \$576,277.

### ***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

	2020	2019
Assets:		
Non-capital assets	\$ 2,421,926	\$ 2,187,722
Capital assets	95,003	97,713
Total assets	2,516,929	2,285,435
Liabilities:		
Current liabilities	-	16,147
Net position:		
Investment in capital assets	95,003	97,713
Unrestricted	2,421,926	2,171,575
Total net position	\$ 2,516,929	\$ 2,269,288

#### Change in Net Position

	2020	2019
Program revenues:		
Operating grants	\$ -	\$ 504,916
General revenues:		
Taxes	565,449	526,083
Miscellaneous	10,828	10,942
Total revenues	576,277	1,041,941
Program expenses:		
Transportation	328,636	1,251,029
<b>Change in net position</b>	<b>247,641</b>	<b>(209,088)</b>
<b>Beginning net position</b>	<b>2,269,288</b>	<b>2,478,376</b>
<b>Ending net position</b>	<b>\$ 2,516,929</b>	<b>\$ 2,269,288</b>

## St. Augustine Port, Waterway and Beach District Management’s Discussion and Analysis

### **Financial Information**

As of September 30, 2020, the District had net position of \$2,269,288. This represents an increase of \$247,641 from the prior year. The following tabulation outlines the components of the District’s assets as of September 30:

	<b>2020</b>	<b>2019</b>
Cash and investments	\$ 2,421,926	\$ 2,187,722
Capital assets	95,003	97,713
Total assets	\$ 2,516,929	\$ 2,285,435

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, 2020, the District had ad-valorem tax revenues of \$565,449. Interest earnings on cash deposits totaled \$5,264. Overall revenue decreased by \$465,664, which was the result of the District receiving grant revenue in the prior year but not receiving grant revenue in the current year. Expenditures decreased by \$922,393 over the prior year due to the completion of emergency construction on the Summer Haven project. The increase in net position during the audit period was a reflection of tax revenue increasing while transportation expenses decreased significantly.

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

There were no changes between the original and final budgets for the General Fund.

Revenues received in the General Fund were higher than budgeted amounts due to prior year delinquent tax distributions that were not included in the budgeted amounts.

General Fund expenditures were lower than budgeted amounts.

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

Capital Assets – There was no significant capital asset activity during 2020. 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, 2020.

### **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.

### **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**

<i>September 30, 2020</i>	General Fund	Adjustments (Note 3)	Statement of Net Position
<b>Assets</b>			
Cash	\$ 114,671	\$ -	\$ 114,671
Investments	2,307,255	-	2,307,255
Capital assets:			
Non-depreciable	-	82,800	82,800
Depreciable, net	-	12,203	12,203
<b>Total assets</b>	<b>\$ 2,421,926</b>	<b>95,003</b>	<b>2,516,929</b>
<b>Fund balance</b>			
Assigned fund balance:			
Law enforcement overtime	14,268	(14,268)	-
Derelict boats	1,114	(1,114)	-
Maps	30,000	(30,000)	-
Marine projects	177,552	(177,552)	-
Unassigned fund balance	2,198,992	(2,198,992)	-
<b>Total fund balance</b>	<b>2,421,926</b>	<b>-</b>	<b>2,421,926</b>
<b>Total liabilities and fund balance</b>	<b>\$ 2,421,926</b>	<b>(2,421,926)</b>	<b>-</b>
<b>Net position</b>			
Investment in capital assets		95,003	95,003
Unrestricted		2,421,926	2,421,926
<b>Total net position</b>		<b>\$ 2,516,929</b>	<b>\$ 2,516,929</b>

*The accompanying notes are an integral part of these financial statements.*

**St. Augustine Port, Waterway and Beach District  
Statement of Activities and Governmental Fund Revenues,  
Expenditures and Changes in Fund Balance**

<i>For the year ended September 30, 2020</i>	General Fund	Adjustments (Note 3)	Statement of Activities
<b>Expenditures/expenses</b>			
Transportation	\$ 325,926	\$ 2,710	\$ 328,636
<b>General revenues</b>			
Taxes	565,449	-	565,449
Miscellaneous	10,828	-	10,828
Total general revenues	576,277	-	576,277
<b>Excess of revenues over (under) expenditures</b>	250,351	(250,351)	-
<b>Change in net position</b>	-	247,641	247,641
<b>Fund balance/net position</b>			
Beginning of year	2,171,575	97,713	2,269,288
End of year	\$ 2,421,926	\$ 95,003	\$ 2,516,929

*The accompanying notes are an integral part of these financial statements.*

# St. Augustine Port, Waterway and Beach District

## 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 2019-2020 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.

# St. Augustine Port, Waterway and Beach District

## Notes to Financial Statements

### 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.

# St. Augustine Port, Waterway and Beach District

## 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, 2020 are summarized in the following table:

	Amount	S&P Rating
Florida PRIME	\$ 23,131	AAAm
Money market	2,284,124	Not rated
<b>Total</b>	<b>\$ 2,307,255</b>	

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, 2020, was 48 days and the weighted average life was 63 days.

As of September 30, 2020, 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, 2020 follows:

	Balance October 1, 2019	Increases	Decreases	Balance September 30, 2020
Capital assets not being depreciated:				
Land	\$ 82,800	\$ -	\$ -	\$ 82,800
Capital assets being depreciated:				
Signage	81,314	-	-	81,314
Less accumulated depreciation:				
Signage	66,401	2,710	-	69,111
Total capital assets being depreciated, net	14,913	(2,710)	-	12,203
Capital assets, net	\$ 97,713	\$ (2,710)	\$ -	\$ 95,003

**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.

**NOTE 5 – UNCERTAINTIES**

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the District. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain. The financial statement impact cannot be reasonably estimated at this time as the duration of the effects of the pandemic is uncertain.

## **Required Supplementary Information**



**St. Augustine Port, Waterway and Beach District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual – General Fund**

<i>For the year ended September 30, 2020</i>	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 526,341	\$ 526,341	\$ 565,449	\$ 39,108
Interest	4,500	4,500	5,264	764
Excess Fees	-	-	5,551	5,551
Other Income	-	-	13	13
<b>Total revenues</b>	<b>530,841</b>	<b>530,841</b>	<b>576,277</b>	<b>45,436</b>
<b>Expenditures</b>				
Transportation	530,841	530,841	325,926	204,915
<b>Excess of revenues over expenditures</b>	<b>-</b>	<b>-</b>	<b>250,351</b>	<b>250,351</b>
<b>Fund balances – beginning of year</b>	<b>2,171,575</b>	<b>2,171,575</b>	<b>2,171,575</b>	<b>-</b>
<b>Fund balances – end of year</b>	<b>\$ 2,171,575</b>	<b>\$ 2,171,575</b>	<b>\$ 2,421,926</b>	<b>\$ 250,351</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 that is prepared by the Treasurer does not include revenue or expenditures related to grant activity. In order for the budget to properly reflect the activity during the audit period, the budgeted grant revenue and expenditures were added to the above schedule.

## **Supplementary Information**

**St. Augustine Port, Waterway and Beach District  
Schedule of Expenditures**

*For the year ended September 30, 2020*

Accounting	\$	5,880
Professional services		7,400
Commissioner pay		305
Travel allowance		11,625
Collection cost - ad valorem tax		24,159
Engineering		11,838
Insurance		7,500
Legal		14,663
Secretarial		17,038
Telephone		1,119
County assessment		9,125
Rent		1,200
District projects		203,294
Web hosting		800
Summer Haven project		500
Summer Haven Port expense		4,919
Exemption project fee		26
Other		4,535
<b>Total</b>	<b>\$</b>	<b>325,926</b>

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



Carr, Riggs & Ingram, LLC  
 7411 Fullerton Street  
 Suite 300  
 Jacksonville, FL 32256

904.356.6023  
 904.353.5836 (fax)  
 CRICpa.com

**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, 2020, and have issued our report thereon dated June 23, 2021. 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 23, 2021, 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. Corrective actions have been taken to address finding 2019-002 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.

Tabulation of Uncorrected Audit Findings		
Current Year Finding #	2018-19 FY Finding #	2017-18 FY Finding #
2020-001	2019-001	2018-001
-	2019-002	2018-002

### ***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.

*Carri Riggs E. Ingram, L.L.C.*

Jacksonville, Florida  
June 23, 2021

**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, 2020, 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 23, 2021. 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 a deficiency in internal control, described in the accompanying Schedule of Findings as item 2020-001 that we consider to be a material weakness.

### ***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.

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

Jacksonville, Florida  
June 23, 2021





Carr, Riggs & Ingram, LLC  
7411 Fullerton Street  
Suite 300  
Jacksonville, FL 32256

904.356.6023  
904.353.5836 (fax)  
CRIcpa.com

## 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, 2020. 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, 2020.

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, LLC*

Jacksonville, Florida  
June 23, 2021

## St. Augustine Port, Waterway and Beach District Schedule of Findings

**2020-001** (Reported in previous audit reports as items 2019-001 and 2018-001)

**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 all phases of the revenue transactions and receives and reconciles the monthly bank statements.

**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.



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

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

June 23, 2021

Auditor General State of Florida  
Tallahassee, Florida

Gentlemen:

In response to the comments contained in the September 30, 2020 financial report issued by our auditors, Carr, Riggs & Ingram, LLC, we offer the following:

Auditors' Report on Internal Control – 2020- 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 account and vendor of all disbursements monthly.

  
Commissioner- Chris Way

  
Elyse Kemper, Secretary/Treasurer