

**WEST COAST INLAND NAVIGATION DISTRICT**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2017**

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WEST COAST INLAND NAVIGATION DISTRICT  
FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017

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**INDEPENDENT AUDITOR'S REPORT**

**Board of Commissioners  
West Coast Inland Navigation District**

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of West Coast Inland Navigation District (the District), as of and for the year ended September 30, 2017, 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.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the West Coast Inland Navigation District, as of September 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-8, the budgetary comparison information on page 31 and the Schedule of the District's Proportionate Share of the Net Pension Liability and Schedule of the District Contributions and Notes to Required Supplementary Information on pages 32-36 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 West Coast Inland Navigation District's basic financial statements. The supplemental schedules on pages 37-43 as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplemental schedules are the responsibility of management and were derived from and relate 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 supplemental schedules are 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 May 25, 2018 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.

*Christopher, Smith, Leonard,  
Bristow & Stannell, P.A.*

CHRISTOPHER, SMITH, LEONARD,  
BRISTOW & STANELL, P. A.

May 25, 2018  
Bradenton, Florida



## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of West Coast Inland Navigation 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 the fiscal year ended September 30, 2017. Readers should consider the information presented here in conjunction with the basic financial statements.

### Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$15,338,548 (*net position*).
- The District's total net position decreased by \$2,227,937 principally due to an increase in capital project expenditures during the year.
- As of the close of the current fiscal year, the District's governmental fund reported total ending fund balance of \$14,877,150, a decrease of \$2,217,917 in comparison with the prior year. Of the total amount, \$7,725,619 is committed for encumbered capital projects. \$4,545,799 of the fund balance has been assigned for specific county or regional uses. \$2,605,732 is unassigned fund balance.
- The District's total long-term liabilities were \$291,782, which increased by \$17,423 during the current fiscal year.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to West Coast Inland Navigation District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The *statement of net position* presents information on all of the District's assets plus deferred outflows and liabilities plus deferred inflows, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected revenues and earned but unused vacation and sick leave).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by advalorem taxes (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The District is engaged in only governmental activities.

The government-wide financial statements can be found on pages 9 and 10 of this report.

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

**Governmental funds.** Governmental funds focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. These funds are reported using the modified accrual method of accounting and the current financial resources focus. As a result long-term assets, deferred outflows, deferred inflows, and liabilities are not included. The District uses a General fund. The General Fund is the general operating fund. All general tax revenues are accounted for in this fund. From this fund all general operating expenditures, capital expenditures and debt service expenditures are paid.

A reconciliation to facilitate the comparison between the governmental fund financial statements and the government-wide financial statements is presented.

The District adopts an annual budget for its general fund. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 11 to 14 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15 to 30 of this report.

## Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the West Coast Inland Navigation District, assets and deferred outflows exceeded liabilities and deferred inflows by \$15,338,548 at the close of the most recent fiscal year.

A portion of the District's net position equal to \$650,120 reflects its investment in capital assets (e.g., land, buildings, and equipment); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide waterway development projects, waterway maintenance and education within the boundaries of the District; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The District had no such long-term debt as of September 30, 2017. The District also had significant assets in cash and investments at year-end. Investments are held in Qualified Public Depositories, U.S. Government obligations, or the Florida Local Government Surplus Trust Fund, as allowed by Florida Statutes and the District's investment policy.

The following table presents a condensed statement of net position as of September 30, 2017, with comparative totals for September 30, 2016.

### Changes in Net Position

	<b>Governmental Activities</b>	<b>Governmental Activities</b>
	<b><u>2017</u></b>	<b><u>2016</u></b>
Current and other assets	\$ 18,329,342	\$ 19,220,638
Capital assets	650,120	629,105
Total assets	<b><u>18,979,462</u></b>	<b><u>19,849,743</u></b>
Deferred outflows	127,183	156,121
Long-term liabilities outstanding	291,782	274,359
Other liabilities	<u>3,452,192</u>	<u>2,125,571</u>
Total liabilities	<b><u>3,743,974</u></b>	<b><u>2,399,930</u></b>
Deferred inflows	24,123	39,449
Net position:		
Net Investment in Capital Assets	650,120	629,105
Unrestricted	<u>14,688,428</u>	<u>16,937,380</u>
Total net position	<b><u>\$ 15,338,548</u></b>	<b><u>\$ 17,566,485</u></b>

\$7,725,619 of unrestricted net position represents funds encumbered for specific County and Regional projects. Another portion of the District's net position, \$4,545,799 represents resources from prior years that have been designated for future appropriation by specific Counties of the District, and also for ACOE Section 1135 Corps of Engineers Projects.

The District's net position decreased by \$2,227,937 during the current fiscal year.



The following table provides a summary of the District's operations for the year ended September 30, 2017 with comparative totals for the year ended September 30, 2016.

### Changes in Net Position

	<b>Governmental Activities</b>	<b>Governmental Activities</b>
	<b>2017</b>	<b>2016</b>
Revenues:		
Program revenues		
Operating grants and contributions	\$ 35,972	\$ 104,831
General revenues:		
Ad valorem taxes	6,281,748	5,809,130
Investment earnings	(37,382)	272,477
Miscellaneous	27,437	42,592
Total revenues	<b>6,307,775</b>	<b>6,229,030</b>
Expenses:		
Capital projects	7,608,198	4,998,601
Administration	528,800	497,649
Maintenance	185,132	196,869
Other	-0-	275,519
Operating expenses	195,892	182,777
Depreciation	17,690	16,725
Total Expenses	<b>8,535,712</b>	<b>6,168,140</b>
(Decrease) increase in net position	(2,227,937)	60,890
Net position – Beginning of year	17,566,485	17,505,595
Net position – End of year	<b>\$ 15,338,548</b>	<b>\$ 17,566,485</b>

- Ad valorem taxes increased by \$472,618 during the year due to increases in assessed value and investment income decreased by \$309,859 due to investment performance.

### **Financial Analysis of the District's Funds**

The District utilizes only one governmental fund which is the General Fund.

**Governmental funds.** The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental fund reported an ending fund balance of \$14,877,150, a decrease of \$2,217,917 in comparison with the prior year. Of this total \$2,605,732 is *unassigned fund balance*, which is available for spending at the District's discretion. \$7,725,619 of the remainder of fund balance is committed for capital projects in progress. \$4,545,799 of fund balance is assigned for future specific County and other projects.

The general fund is the operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$2,605,732. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 31% of total general fund expenditures.

The fund balance of the District's general fund decreased by \$2,217,917 during the current fiscal year. The significant reason for the decrease was an increase in capital projects expenditures.

**General Fund Budgetary Highlights**

Budgeted expenditures changed during the year to reflect various transfers between county projects and their assigned County Navigation Improvement Fund (CNIF) balances. Budgeted revenues did not change and were \$6,491,510. The final expenditures on the budget basis were \$16,655,756. For the current fiscal year, actual revenues exceeded budgeted revenues by \$212,398. Actual expenditures on the budget basis were less than budgeted expenditures by \$8,130,064. Of this amount, \$7,725,619 is committed for specific capital projects.

The General Fund budget is presented as required supplementary information on page 31.

**Capital Assets**

The District's investment in capital assets for the year ended September 30, 2017 amounts to \$650,120 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment. The District's investment in capital assets for the current fiscal year increased by \$21,015; this was comprised of \$38,705 of capital additions and \$17,690 of depreciation expense.

**Capital Assets**

	<b><u>Governmental Activities</u></b>	<b><u>Governmental Activities</u></b>
	<b><u>2017</u></b>	<b><u>2016</u></b>
Land	\$ 560,584	\$ 560,584
Construction in progress	-0-	20,295
Building and Improvements	64,098	13,631
Machinery and equipment	25,438	34,595
Total (net of depreciation)	<b><u>\$ 650,120</u></b>	<b><u>\$ 629,105</u></b>

See note C on page 24 and 25 of this report for additional information on the District's capital assets.

**Long-Term Liabilities**

At the end of the current fiscal year, the District had total long-term liabilities outstanding of \$291,782, which is composed of \$20,000 of long-term compensated absences and the District's proportionate share of the FRS and HIS net pension liability. At September 30, 2017, the net pension liability recognized by the District was \$271,782.

Additional information on the District's long-term debt can be found in note F to the financial statements on page 30.

### **Economic Factors and Next Year's Budgets and Rates**

The millage rate for 2017-2018 has been adopted at the rate of .0394, which is the same as the previous fiscal year. The District is analyzing the potential effect of state mandated budget restrictions on future ad valorem revenues and project expenditures. The District's 2017-2018 budget includes funding for a Dredged Materials Management Plan, and project assistance to Counties with more focus on management of dredging projects. The Charlotte County Regional Waterway Management System (RWMS) will be completed and implementation will begin per County request. The District has also succeeded in obtaining additional federal funding for Operation and Maintenance activities, for the GIWW and USACOE. The District has also pursued and received authorization to improve GIWW conditions for boating safety.

### **Requests for Information**

This financial report is designed to provide a general overview of the West Coast Inland Navigation District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District at, West Coast Inland Navigation District, 200 E. Miami Avenue, Venice, Florida 34284.

**WEST COAST INLAND NAVIGATION DISTRICT  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2017**

	<b>GOVERNMENTAL ACTIVITIES</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 2,190,010
Investments	16,082,092
Other receivables	57,240
Capital assets	
Land	560,584
Other capital assets, net of depreciation	89,536
Total Assets	<b>18,979,462</b>
<b>DEFERRED OUTFLOWS OF RESOURCES – Pension</b>	<b>127,183</b>
<b>LIABILITIES</b>	
Accounts payable and other current liabilities	3,452,192
Noncurrent liabilities:	
Due in more than one year	291,782
Total Liabilities	<b>3,743,974</b>
<b>DEFERRED INFLOWS OF RESOURCES – Pension</b>	<b>24,123</b>
<b>NET POSITION</b>	
Net investment in capital assets	650,120
Unrestricted	14,688,428
<b>TOTAL NET POSITION</b>	<b>\$ 15,338,548</b>

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

WEST COAST INLAND NAVIGATION DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	<b>GOVERNMENTAL ACTIVITIES</b>
<b>Physical Environment</b>	
Capital projects	\$ 7,608,198
Administration	528,800
Maintenance	185,132
Tax collectors / appraisers	195,892
Depreciation	17,690
Total Program Expenses	8,535,712
<b>Program revenues</b>	
Operating grants and contributions	35,972
Net Program Expense	8,499,740
<b>General Revenues:</b>	
Ad valorem taxes	6,281,748
Investment earnings	(37,382)
Miscellaneous	27,437
Total General Revenues	6,271,803
Decrease in Net Position	(2,227,937)
<b>Net Position – Beginning</b>	<b>17,566,485</b>
<b>Net Position – Ending</b>	<b>\$ 15,338,548</b>

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

WEST COAST INLAND NAVIGATION DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUND  
SEPTEMBER 30, 2017

	GOVERNMENTAL FUND TYPE
	GENERAL
<b>ASSETS</b>	
Cash	\$ 2,190,010
State investment pool	810,047
Investments	15,272,045
Due from other governmental units	57,240
TOTAL ASSETS	<b>\$ 18,329,342</b>
 <b>LIABILITIES AND FUND BALANCE</b>	
Liabilities:	
Accounts payable	\$ 3,452,192
TOTAL LIABILITIES	3,452,192
Fund Balances:	
Spendable:	
Committed	7,725,619
Assigned	4,545,799
Unassigned	2,605,732
TOTAL FUND BALANCE	14,877,150
TOTAL LIABILITIES AND FUND BALANCE	<b>\$ 18,329,342</b>

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

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**WEST COAST INLAND NAVIGATION DISTRICT  
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUND  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2017**

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

Fund Balance – Governmental Fund	\$ 14,877,150
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	650,120
Deferred outflows of resources related to the pension plan do not utilize current financial resources and, therefore are not reported in the funds.	127,183
Deferred inflows of resources related to the pension plan are not available current financial resources and, therefore are not reported in the funds.	(24,123)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Net pension liability	(271,782)
Compensated absences	(20,000)
	<u>(291,782)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$ 15,338,548</u></u></b>

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

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**WEST COAST INLAND NAVIGATION DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

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	<b>GENERAL FUND</b>
<b>REVENUES</b>	
Taxes	\$ 6,281,748
Investment earnings	(37,382)
Grant income	35,972
Miscellaneous	27,437
<b>TOTAL REVENUES</b>	6,307,775
 <b>EXPENDITURES</b>	
Capital project expenditures	7,608,198
Maintenance	223,837
Administration:	
Personal services	309,121
Operating	149,939
Capital outlay	38,705
Tax collectors / appraisers	195,892
<b>TOTAL EXPENDITURES</b>	8,525,692
<b>NET CHANGE IN FUND BALANCE</b>	(2,217,917)
<b>FUND BALANCE, October 1, 2016</b>	17,095,067
<b>FUND BALANCE, September 30, 2017</b>	<b>\$ 14,877,150</b>

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



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**WEST COAST INLAND NAVIGATION DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

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

Net change in fund balance – Governmental Fund	\$ (2,217,917)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.	21,015
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The effects of long term accounts and pension resources do not provide current financial resources and as such, are not recorded in the funds.	(13,612)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This represents current year change in:

Increase in net pension liability	(11,423)	
Increase in compensated absences	<u>(6,000)</u>	
		<u>(17,423)</u>

<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$ (2,227,937)</u></u></b>
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The accompanying notes are an integral part of these financial statements.

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**WEST COAST INLAND NAVIGATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

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

The following is a summary of the significant accounting policies followed by the West Coast Inland Navigation District:

(1) Reporting Entity – West Coast Inland Navigation District, also referred to as WCIND, was created by special act of the Florida Legislature in 1947. In 1998, all special acts relating to WCIND were codified into a single, comprehensive special act charter for the District pursuant to Chapter 98-526, Laws of Florida (1998). WCIND is an independent, multi-county special taxing district composed of the Counties of Manatee, Sarasota, Charlotte, and Lee.

The District's governing board is comprised of four members, each of whom is an elected County Commissioner in the County he or she represents.

WCIND was created to implement the requirements and conditions imposed upon "local interests", by the Congress of the United States of America, in its River and Harbor Act approved March 2, 1945. Part 211 of Title 33 – Navigation and Navigable Waters, of the Code of Federal Regulations, contains current regulations of the Corps of Engineers, Department of the Army, governing the Corps' activities in connection with Federal civil works projects like the Intracoastal Waterway. These Federal regulations provide that no land shall be acquired on account of the United States except under a law authorizing such acquisition. (The Federal law authorizing the project is the River and Harbor Act approved by the Congress of the United States of America, on March 2, 1945.) The Federal regulations require local cooperation for civil works projects, meaning that local (non-Federal) interests are required to provide without cost to the United States, all lands, easements and rights-of-way for the construction of the projects. WCIND was created by The Florida Legislature in 1947 to provide the requisite local cooperation for the construction and maintenance of the waterway. WCIND is authorized to obtain by donation, purchase or condemnation and convey without cost to the United States, the necessary rights of way for said project together with suitable areas for the deposit of spoil material in connection with the work and its subsequent maintenance, all as contemplated and required by the Congress of the United States, and those acting by its authority.

WCIND is also responsible for undertaking programs intended to alleviate problems associated with its waterway, and is empowered and authorized to carry out waterway development projects specified in Sections 374.975 and 374.976, Florida Statutes.

(2) Basis of Presentation – The District's basic financial statements include government-wide (which reports the District as a whole) and fund financial statements (which report only on the General Fund). The basic financial statements present only governmental activities, as the District conducts no business-type activities. There are no other potential component units.

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WEST COAST INLAND NAVIGATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
SEPTEMBER 30, 2017

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

Basis of Accounting: Basic Financial Statements - Government-Wide Statements- The Government-Wide Financial Statements (Statement of Net position and Statement of Activities) are prepared using the economic resources measurement focus and the accrual basis of accounting. The District's net position is reported in three parts (as applicable): net investment in capital assets; restricted net position, and unrestricted net position. The statement of activities reports direct program expenses offset by program revenues. Program revenues include contributions for projects from member counties and operating grants. General revenues include taxes and other items not properly included as program revenue.

Basic Financial Statements - Fund Financial Statements - The District's accounts are organized on the basis of funds, which are self-balancing set of accounts that comprise its assets, liabilities, reserves, fund balances, revenues and expenditures. The District utilizes a governmental fund, which follows the modified accrual basis of accounting. Under this method, revenues are recorded when they become 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. The District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a fund liability is incurred. The District reports the following governmental fund, which is a major fund:

Governmental Fund:

General Fund - The General Fund is the general operating fund of the District. All general tax and other revenues are accounted for in this fund. From this fund general operating expenditures, capital expenditures and debt service expenditures are paid.

(3) Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(4) Budgets and Budgetary Accounting - The following are the procedures followed by the West Coast Inland Navigation District in establishing the budget for the District.

The Executive Director submits to the Board a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them. A public hearing is conducted and the budget is legally adopted by the passage of a resolution prior to September 30. Expenditures cannot legally exceed appropriations. Appropriations lapse at year-end except for capital projects, which are carried over to the next year.

**WEST COAST INLAND NAVIGATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS – CONTINUED  
SEPTEMBER 30, 2017**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

(5) Capital Assets – Capital assets, which include property, plant and equipment are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$500 and an estimated useful life of longer than one year. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal repair and maintenance that do not add to the value of the asset or extend the useful life of the asset are expensed as incurred. The District does not have infrastructure assets.

Property, plant and equipment of the District are depreciated on a straight-line basis over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Building and improvements	40
Vehicles	5
Furniture, fixtures and equipment	5–10
Computer equipment and software	3

(6) Property Taxes – Property taxes are based on appraisals by the various Counties’ Property Appraisers, as of January 1, preceding the fiscal year. The total taxable values are certified by the Property Appraisers on or about July 1, preceding the fiscal year. Through a series of public hearings and actions the District finalizes a millage levy to become effective with the fiscal year beginning October 1. The millage levy is collected by the various County Tax Collectors and becomes delinquent on April 1.

The property tax calendar was as follows:

July 1	Assessment roll validated
September 30	Millage resolution approved
October 1	Beginning of fiscal year for which tax is to be levied
November 1	Tax bills rendered and due
November 1 – March 31	Property taxes due with various discount rates
April 1	Taxes delinquent
May 31	Tax certificates sold by County

Property taxes are recognized as revenue in the fiscal year for which the taxes have been levied to the extent they result in current receivables. Under the system outlined above, no material amount of taxes is receivable after the end of the fiscal year.

(7) Rights-of-Way Easements – The cost of rights-of-way and easements purchased by the District and conveyed to the Corps of Engineers have been expensed in the year incurred.

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**WEST COAST INLAND NAVIGATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS – CONTINUED  
SEPTEMBER 30, 2017**

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

(8) Long-Term Obligations – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. In the fund financial statements, no long-term obligations are reported as they are not due to be paid from current financial resources.

(9) Fund Balance – The District follows Government Accounting Standards Board statement (GASB) 54. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, under GASB 54, are Non-spendable and Spendable. Spendable is then further classified as Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance.

In accordance with GASB Statement 54, the District classified governmental fund balances as follows:

Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Spendable Fund Balance:

- Restricted – includes amounts that can be spent only for specific purposes because of State or Federal laws or enabling legislation, or which are externally restricted by providers, such as creditors or grantors.
- Committed – includes amounts that can be spent only for specific purposes that are approved by a formal action of the Board of Commissioners through a resolution or the budget process.
- Assigned – includes amounts designated for a specific purpose by the Board of Commissioners through a resolution or the budget process, or by the Executive Director, which are neither restricted nor committed.
- Unassigned – includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories.

The District uses restricted amounts first when both restricted and unrestricted fund balance is available, unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made. The District does not have a formal minimum fund balance policy.

**WEST COAST INLAND NAVIGATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS – CONTINUED  
SEPTEMBER 30, 2017**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

County Navigation Improvement Fund (CNIF) funds are balances earmarked for specific Counties for navigation improvements. Use of these funds is subject to Board approval of the individual project requests or can be used to fund capital projects during the annual budget process.

	<u>General Fund</u>
<b><u>Spendable:</u></b>	
Committed to:	
Capital Projects in Progress:	
Charlotte	\$ 220,943
Lee	3,301,454
Manatee	1,191,394
Sarasota	1,264,609
Cooperative Assistance Program (CAP)	1,729,931
Regional Dredged Materials Plan	<u>17,288</u>
	7,725,619
Assigned to:	
ACOE Section 1135 Project	325,351
County Navigation Improvement Funds (CNIF):	
Charlotte	317,241
Lee	1,503,206
Manatee	1,587,832
Sarasota	<u>812,169</u>
	<u>4,545,799</u>
<b><u>Unassigned:</u></b>	
Unassigned	<u>2,605,732</u>
Total Fund Balances	<b><u>\$ 14,877,150</u></b>

**Pension**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) and additions to/deletions from FRS's fiduciary net position have been determined on the same basis as they are reported by FRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments in the Cost-Sharing Multi-Employer Plan are reported at fair value (Note D).

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. One item qualifies for reporting in this category. A deferred outflow of pension resources is reflected in the government-wide statement of net position.

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WEST COAST INLAND NAVIGATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS – CONTINUED  
SEPTEMBER 30, 2017

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. A deferred inflow of pension earnings is reported in the government-wide statement of net position.

Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles, which prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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**WEST COAST INLAND NAVIGATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
SEPTEMBER 30, 2017**

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**NOTE B - CASH AND INVESTMENTS**

Deposits

At September 30, 2017, the carrying amount of the District's deposits was \$2,189,909 and the bank balance was \$2,244,346 with the difference resulting from outstanding checks recorded as expenditures on the District records. The deposits are either insured by the FDIC or are considered insured by the multiple financial institution collateral pool created by the Florida Security for Public Deposits Act (Chapter 280 F.S.). This pool insures there will be no loss of public funds due to the default of a member since it has the power to make additional assessments against its members to protect any losses, as necessary.

Investments

In accordance with Florida Statute Section 218.415, the District adopted an investment policy limiting District investments to those enumerated in Subsection 16 of the statute.

Authorized investments are as follows:

- (a) The Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized through the Florida Interlocal Cooperation Act as provided in Section 163.01, Florida Statutes.
- (b) Securities and Exchange Commission registered Money Market Funds with the highest credit quality rating from a nationally recognized rating agency.
- (c) Interest bearing time deposits or savings accounts in state-certified Qualified Public Depositories as defined in Section 280.02, Florida Statutes.
- (d) Direct obligations of the U.S. Treasury.
- (e) Obligations of Federal agencies and instrumentalities.
- (f) Securities of, or other interests in, any open-end or closed-end management-type investment company or investment trust registered under the investment Company Act of 1940, 15 U.S.C. §80a-1 et seq., as amended from time to time, provided that the portfolio of such investment company or investment trust is limited to obligations of the United States Government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such United States government obligations, and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian.
- (g) Certificates of deposit selected by the District and purchased through a qualified public depository acting as custodian as defined by section 280.02, Florida Statutes. The full amount of principal and accrued interest of each certificate of deposit is insured by the Federal Deposit Insurance Corporation.



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WEST COAST INLAND NAVIGATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
SEPTEMBER 30, 2017

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**NOTE B – CASH AND INVESTMENTS – CONTINUED**

District bank accounts are with banking institutions that post collateral as required by state statutes (Qualified Public Depositories). The District's policy minimizes credit risk by limiting investments to the safest types. The District's policy minimizes interest rate risk by structuring investments to meet cash requirements for ongoing operations and investing operating funds in shorter term investments.

Local Government Surplus Trust Funds Investment Pool

The District has investments with the State Board of Administration Florida PRIME Fund (Florida PRIME), which are administered by the Florida State Board of Administration. The District's investments in Florida PRIME are through shares owned in the funds and not the underlying investments. The Florida PRIME is considered a 2a-7 like pool and recognized at amortized cost, which approximates its fair value. The Florida PRIME investments are subject to overnight withdrawal. There is a risk of loss of interest on the investments if there are changes in the underlying indexed base.

Interest Rate Risks

The District primarily invests in shorter term securities, government money market mutual funds and similar investment pools as a means of managing fair value losses arising from increasing interest rates. The Florida PRIME has dollar weighted average days to maturity (WAM) of 51 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of Florida PRIME at September 30, 2017 is 80 days.

Credit Risks

Credit risk is the possibility that an issuer of a fixed income security held by the Florida PRIME will default on the security by failing to pay interest or principal when due. If an issuer defaults, the Florida PRIME will lose money. Florida PRIME invests in top-tier, money market assets of the highest quality and has a Standard and Poors rating of AAAM.

Foreign Currency Risk

Florida PRIME was not exposed to any foreign currency risk during the period from October 1, 2016 through September 30, 2017.

With regards to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing

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WEST COAST INLAND NAVIGATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS – CONTINUED  
SEPTEMBER 30, 2017

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**NOTE B – CASH AND INVESTMENTS – CONTINUED**

Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.”

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. Through September 30, 2017, no such disclosure has been made.

As of September 30, 2017, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value.

At September 30, 2017, the District had investments in the Florida PRIME with a fair value of \$810,047. For further information regarding the Local Government Surplus Trust Funds Investment Pool, readers should refer to the financial statements and disclosures of the Florida State Board of Administration Local Government Surplus Funds Trust Fund Investment Pool.

Investments

The District’s investments held with investment companies are comprised of the following at September 30, 2017:

U.S. Government Mutual Funds	<u>\$ 15,272,045</u>
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Mutual funds held by the District invest predominantly in U.S. government securities including U.S. treasuries and mortgage backed securities issued by Federal National Mortgage Association (FNMA), Government National Mortgage Association (GNMA) and Federal Home Loan Mortgage Corporation (FHLMC) with average Morningstar credit quality ratings of AAA.

The following sets forth the level, within the fair value hierarchy, of the District’s assets measured at fair value on a recurring basis at September 30, 2017: (see Note A for definitions).

**WEST COAST INLAND NAVIGATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS – CONTINUED  
SEPTEMBER 30, 2017**

**NOTE B – CASH AND INVESTMENTS – CONTINUED**

Investments – Continued

	<u>Fair Value Measurements as of September 30, 2017</u>			
	<u>Totals</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. Government Mutual Funds	<u>\$ 15,272,045</u>	<u>\$ -0-</u>	<u>\$ 15,272,045</u>	<u>\$ -0-</u>
Totals	<u>\$ 15,272,045</u>	<u>\$ -0-</u>	<u>\$ 15,272,045</u>	<u>\$ -0-</u>

The following is a description of the valuation methodologies used for assets measured at fair value.

Mutual funds are valued at the daily closing prices as reported by the fund. These funds include open-ended mutual funds that are registered with the U.S. Securities and Exchange Commission and are required to publish their daily net asset value and to transact at that price. The mutual funds may also be valued as determined by an independent pricing service, based on methods which include consideration of: yields or prices of securities of comparable quality, coupon, maturity and type; indications as to values from dealers; and general market conditions.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the District believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**NOTE C – GENERAL FIXED ASSETS**

The District, in connection with its obligation to obtain necessary lands for the waterway's construction and subsequent maintenance, has purchased several parcels of land. A breakdown of land recorded at cost, owned fee simple in each county as of September 30, 2017 appears below:

<u>COUNTY</u>	<u>AMOUNT</u>
Charlotte	\$ 289,131
Manatee	6,575
Pinellas	7,144
Sarasota	<u>207,734</u>
	510,584
Land office	<u>50,000</u>
	<u>\$ 560,584</u>

**WEST COAST INLAND NAVIGATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS – CONTINUED  
SEPTEMBER 30, 2017**

**NOTE C – GENERAL FIXED ASSETS – CONTINUED**

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Transfer</u>	<u>Ending Balance</u>
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 560,584	\$ -	\$ -	\$ -	\$ 560,584
Construction in progress	<u>20,295</u>	<u>-</u>	<u>-</u>	<u>(20,295)</u>	<u>-</u>
Total capital assets, not being depreciated	580,879	-	-	(20,295)	560,584
Capital assets being depreciated:					
Building and improvements	72,357	33,463	-	20,295	126,115
Equipment	<u>362,321</u>	<u>5,242</u>	<u>-</u>	<u>-</u>	<u>367,583</u>
Total capital assets being depreciated	434,678	38,705	-	20,295	493,678
Less accumulated depreciation for:					
Buildings and improvements	58,726	3,291	-	-	62,017
Equipment	<u>327,726</u>	<u>14,399</u>	<u>-</u>	<u>-</u>	<u>342,125</u>
Total accumulated depreciation	<u>386,452</u>	<u>17,690</u>	<u>-</u>	<u>-</u>	<u>404,142</u>
Total capital assets, being depreciated, net	<u>48,226</u>	<u>21,015</u>	<u>-</u>	<u>20,295</u>	<u>89,536</u>
Governmental activities capital assets, net	<u>\$ 629,105</u>	<u>\$ 21,015</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 650,120</u>

**NOTE D – RETIREMENT PLAN**

Plan Description

All part-time and full-time employees of the District are provided with pensions through the Florida Retirement System which is administered by the Florida Department of Management Services, Division of Retirement. The State of Florida issues a publicly available comprehensive annual financial report that can be obtained at <http://www.myfloridacfo.com/Division/AA/Reports/default.htm>.

Under this system, there are two defined benefit pension plans: The Florida Retirement System Pension Plan and the Retiree Health Insurance Subsidy Program:

- The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer qualified defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes.
- The Retiree Health Insurance Subsidy Program (HIS) is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes.

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**WEST COAST INLAND NAVIGATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS – CONTINUED  
SEPTEMBER 30, 2017**

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**NOTE D – RETIREMENT PLAN – CONTINUED**

Benefits Provided

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

Under the HIS Plan, the benefit is a monthly payment to assist retirees in paying their health insurance costs. Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree must provide proof of eligible health insurance coverage, which can include Medicare.

Contributions

Per Chapter 121, Florida Statutes, contribution requirements of the active employees and the participating employers are established and may be amended by the Florida Department of Management Services, Division of Retirement. Effective July 1, 2011, both employees and employers of the FRS are required to make contributions to establish service credit for work performed in a regularly established position. The Florida Legislature established a uniform contribution rate system for the FRS. The uniform rates are based on the class of employee is placed into which require employees to contribute 3% and employers to contribute based on class from 7.52% to 45.50%. The District's contractually required contribution rate for the year ended September 30, 2017, ranged between 7.52% to 22.71% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the District were \$29,904 for the reporting year ended September 30, 2017.

The HIS Program is funded by required contributions of 1.66% and is included in the contribution rates noted above.

**WEST COAST INLAND NAVIGATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS – CONTINUED  
SEPTEMBER 30, 2017**

**NOTE D – RETIREMENT PLAN – CONTINUED**

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2017, the District reported a liability of \$271,782 for its proportionate share of the net pension liability which includes both FRS and HIS. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the District’s proportion was .000681252% for FRS and .000657214% for HIS which was consistent with its proportion measured as of June 30, 2016.

For the reporting year ended September 30, 2017, the District recognized pension expense of \$54,939. At September 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>FRS</u>		<u>HIS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 18,494	\$ (1,116)	\$ -0-	\$ (146)
Changes in assumptions	67,721	-0-	9,877	(6077)
Net difference between projected and actual earnings on pension plan investments	-0-	(4,994)	39	-0-
Changes in proportion and differences between contributions and proportionate share of contributions	18,769	(2,456)	6,714	(9,334)
District contributions subsequent to the June 30, 2017 measurement date	4,735	-0-	834	-0-
	<u>\$ 109,719</u>	<u>\$ (8,566)</u>	<u>\$ 17,464</u>	<u>\$ (15,557)</u>

Total deferred outflows were \$127,183 and total deferred inflows were \$24,123. \$4,735 (FRS) and \$834 (HIS) reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – continued

<u>Year ending September 30:</u>	<u>FRS</u>	<u>HIS</u>
2018	\$ 14,846	\$ 152
2019	14,846	152
2020	14,846	152
2021	14,846	152
2022	14,847	151
Thereafter	<u>22,187</u>	<u>314</u>
	<u>\$ 96,418</u>	<u>\$ 1,073</u>

**WEST COAST INLAND NAVIGATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS – CONTINUED  
SEPTEMBER 30, 2017**

**NOTE D – RETIREMENT PLAN – CONTINUED**

*Actuarial Assumptions*

The total pension liability in the July 1, 2017 actuarial valuation (June 30, 2017 measurement date) was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary increases	3.25 percent, including inflation
Investment rate of return	7.10 percent, including inflation at 2.60%

Mortality rates were based on the generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2017 FRS valuation were based on the results of an actuarial experience study performed in 2014 for the period July 1, 2008 – June 30, 2013. Because the HIS is funded on a pay-as-you-go basis, no experience study has been completed for that Plan, but were based on certain results of the most recent experience study for the FRS Plan.

The long-term expected rate of return on pension plan investments consists of two building block components: 1) a real (in excess of inflation) return of 4.50%, consistent with the currently articulated real return target in the Florida State Board of Administration’s investment policy, developed using capital market assumptions calculated by Aon Hewit Investment Consulting; and 2) a long-term average annual inflation assumption of 2.60% as adopted in October 2017 by the FRS Actuarial Assumptions Conference. The table below shows the assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>
Cash	1%	3.0%
Fixed income	18%	4.5%
Global equity	53%	7.8%
Real estate (property)	10%	6.6%
Private equity	6%	11.5%
Strategic investments	12%	6.1%

WEST COAST INLAND NAVIGATION DISTRICT  
 NOTES TO FINANCIAL STATEMENTS – CONTINUED  
 SEPTEMBER 30, 2017

NOTE D – RETIREMENT PLAN – CONTINUED

*Discount Rate*

The discount rate used to measure the total FRS pension liability was 7.10%, and the HIS pension liability was 3.58%. The FRS rate decreased from 7.60% to 7.10% in the most recent study. The HIS rate increased from 2.85% to 3.58% in the most recent actuarial study. The HIS rate is based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

The following presents the District’s proportionate share of the FRS net pension liability calculated using the discount rate of 7.10%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	1% Decrease (6.10%)	Discount Rate (7.10%)	1% Increase (8.10%)
District’s proportionate share of the FRS net pension liability	\$ 364,721	\$ 201,510	\$ 66,007

The following presents the District’s proportionate share of the HIS net pension liability calculated using the discount rate of 3.58%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percent-point lower (2.58%) or 1-percentage-point higher (4.58%) than the current rate:

	1% Decrease (2.58%)	Discount Rate (3.58%)	1% Increase (4.58%)
District’s proportionate share of the HIS net pension liability	\$ 80,190	\$ 70,272	\$ 62,011

*Pension Plan Fiduciary Net Position*

The District’s proportion of net position has been determined on the same basis of each Plan. Detailed information about the pension plan’s fiduciary net position is available in the separately issued State of Florida comprehensive annual financial report.



WEST COAST INLAND NAVIGATION DISTRICT  
 NOTES TO FINANCIAL STATEMENTS – CONTINUED  
 SEPTEMBER 30, 2017

**NOTE E – ANNUAL AND SICK LEAVE COMMITMENTS**

The District grants annual and sick leave benefits to substantially all employees. Upon retirement, employees can receive payment for accumulated annual leave and a portion of accumulated sick leave. Accumulated sick leave is not payable until an employee reaches 10 years of service and is payable one hour for every four hours accumulated to a maximum of 480 hours. Accrued vested sick leave of \$-0- is recorded and accrued annual leave of \$20,000 is recorded in the government-wide financial statements.

**NOTE F – LONG-TERM LIABILITIES**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Compensated absences	\$ 14,000	\$ 18,782	\$ 12,782	\$ 20,000	\$ -0-
Net Pension Liability	<u>260,359</u>	<u>184,611</u>	<u>173,188</u>	<u>271,782</u>	<u>-0-</u>
	<u>\$274,359</u>	<u>\$203,393</u>	<u>\$185,970</u>	<u>\$ 291,782</u>	<u>\$ -0-</u>

**NOTE G – RECONCILIATION OF GOVERNMENT - WIDE AND FUND FINANCIAL STATEMENTS**

Explanation of certain differences between the governmental fund statements of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The reconciliation between the net changes in fund balances – total governmental funds as reported in the statement of revenues, expenditures and changes in fund balances, and the changes in net position as reported in the statement of activities is included on page 14 of the basic financial statements. One line in that reconciliation explains that “Governmental Funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expenses.”

The details of the difference is shown below:

Capitalized Expenditures	\$ 38,705
Depreciation Expense	<u>(17,690)</u>
	<u>\$ 21,015</u>

**NOTE H – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. There has been no significant reduction in coverage from the prior year. Settled claims from these risks have not exceeded commercial insurance coverage over the past three years.

**REQUIRED SUPPLEMENTAL INFORMATION**

**WEST COAST INLAND NAVIGATION DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GENERAL FUND–BUDGET AND ACTUAL**  
**NON–GAAP BUDGET BASIS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Budget Amounts			Actual	Variance
	Original	Changes	Final		
Fund balances brought forward					
Capital project funds brought forward	\$ 9,953,167	\$ -	\$ 9,953,167	\$ 9,953,167	
County CNIF Funds–9–30–16	4,037,810	-	4,037,810	4,037,810	
ACOE 1135 Carryforward	375,351	-	375,351	375,351	
Undesignated	2,728,739	-	2,728,739	2,728,739	
	<u>17,095,067</u>	<u>-</u>	<u>17,095,067</u>	<u>17,095,067</u>	
<b>REVENUES</b>					
Taxes	6,115,010	-	6,115,010	6,281,748	\$ 166,738
Investment earnings	350,000	-	350,000	358,751	8,751
Grants and county funds	-	-	-	35,972	35,972
Miscellaneous	26,500	-	26,500	27,437	937
	<u>6,491,510</u>	<u>-</u>	<u>6,491,510</u>	<u>6,703,908</u>	<u>212,398</u>
<b>TOTAL REVENUES AND BALANCES</b>	<u>23,586,577</u>	<u>-</u>	<u>23,586,577</u>	<u>23,798,975</u>	<u>212,398</u>
<b>EXPENDITURES</b>					
Capital projects current					
Waterway Development Program–counties	4,305,898	1,199,711	5,505,609	2,557,587	2,948,022
Cooperative Assistance Program–regional	280,000	-	280,000	24,612	255,388
	<u>4,585,898</u>	<u>1,199,711</u>	<u>5,785,609</u>	<u>2,582,199</u>	<u>3,203,410</u>
Capital project carryover projects					
Waterway Development Program–counties	8,005,690	(473,322)	7,532,368	4,501,990	3,030,378
Cooperative Assistance Program–regional	2,322,828	18,363	2,341,191	524,009	1,817,182
	<u>10,328,518</u>	<u>(454,959)</u>	<u>9,873,559</u>	<u>5,025,999</u>	<u>4,847,560</u>
Administration	511,588	-	511,588	459,060	52,528
Maintenance and capital outlay	285,000	-	285,000	262,542	22,458
Tax collectors/appraisers	200,000	-	200,000	195,892	4,108
<b>TOTAL EXPENDITURES</b>	<u>15,911,004</u>	<u>744,752</u>	<u>16,655,756</u>	<u>8,525,692</u>	<u>8,130,064</u>
<b>FUND BALANCE, SEPTEMBER 30, 2017</b>	<u>\$ 7,675,573</u>	<u>\$ (744,752)</u>	<u>\$ 6,930,821</u>	<u>\$ 15,273,283</u>	<u>\$ 8,342,462</u>

**RECONCILIATION OF DIFFERENCES BETWEEN NON–GAAP BUDGETARY BASIS  
AND GAAP (MODIFIED ACCRUAL) BASIS**

Budgeted revenue does not include adjustments to market value of investments.

	Actual on the GAAP Basis	Adjustment To Budget Basis	Actual on Budget Basis
Investment earnings	\$ (37,382)	\$ 396,133	\$ 358,751
Total Revenue	<u>\$ 6,307,775</u>	<u>\$ 396,133</u>	<u>\$ 6,703,908</u>

**WEST COAST INLAND NAVIGATION DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
SEPTEMBER 30, 2017**

FLORIDA RETIREMENT SYSTEM (FRS)  
Last Four Fiscal Years \*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
District's proportion of the net pension liability	0.000626186%	0.000596127%	0.000676962%	0.000681252%
District's proportionate share of the net pension liability	\$ 38,207	\$ 76,998	\$ 170,933	\$ 201,510
District's covered payroll	\$ 203,922	\$ 207,479	\$ 214,374	\$ 210,459
District's proportionate share of the net pension liability as a percentage of its covered payroll	19%	37%	80%	96%
Plan fiduciary net position as a percentage of total pension liability	96.09%	92.00%	84.88%	83.89%

\* – GASB No. 68 was adopted in fiscal year 2015. Ultimately, this schedule will contain information for the last ten years.

**WEST COAST INLAND NAVIGATION DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
SEPTEMBER 30, 2017**

RETIREE HEALTH INSURANCE SUBSIDY PROGRAM (HIS)  
Last Four Fiscal Years \*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
District's proportion of the net pension liability	0.000666414%	0.000728147%	0.000767302%	0.000657214%
District's proportionate share of the net pension liability	\$ 62,311	\$ 74,260	\$ 89,426	\$ 70,272
District's covered payroll	\$ 203,922	\$ 207,479	\$ 214,374	\$ 210,459
District's proportionate share of the net pension liability as a percentage of its covered payroll	31%	36%	42%	33%
Plan fiduciary net position as a percentage of total pension liability	0.99%	0.50%	0.97%	1.64%

\* – GASB No. 68 was adopted in fiscal year 2015. Ultimately, this schedule will contain information for the last 10 years.

**WEST COAST INLAND NAVIGATION DISTRICT  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
SEPTEMBER 30, 2017**

FLORIDA RETIREMENT SYSTEM (FRS)  
Last Four Fiscal Years \*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually required contribution **	\$ 13,716	\$ 14,534	\$ 16,509	\$ 17,735
Contributions in relation to the contractually required contribution	<u>13,716</u>	<u>14,534</u>	<u>16,509</u>	<u>17,735</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 203,922	\$ 207,479	\$ 214,374	\$ 210,459
Contributions as a percentage of covered payroll	6.73%	7.01%	7.70%	8.43%

\* - GASB No. 68 was adopted in fiscal year 2015. Ultimately, this schedule will contain information for the last ten years.

\*\* - Contributions noted per this schedule are pursuant to the measurement date of the actuarial report.

**WEST COAST INLAND NAVIGATION DISTRICT  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
SEPTEMBER 30, 2017**

RETIREE HEALTH INSURANCE SUBSIDY PROGRAM (HIS)  
Last Four Fiscal Years \*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually required contribution **	\$ 2,283	\$ 2,783	\$ 3,933	\$ 3,476
Contributions in relation to the contractually required contribution	<u>2,283</u>	<u>2,783</u>	<u>3,933</u>	<u>3,476</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 203,922	\$ 207,479	\$ 214,374	\$ 210,459
Contributions as a percentage of covered payroll	1.12%	1.34%	1.83%	1.65%

\* - GASB No. 68 was adopted in fiscal year 2015. Ultimately, this schedule will contain information for the last ten years.

\*\* - Contributions noted per this schedule are pursuant to the measurement date of the actuarial report.

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**WEST COAST INLAND NAVIGATION DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2017**

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**ACTUARIAL METHODS AND ASSUMPTIONS**

Actuarial assumptions for both defined benefit plans (FRS and HIS) are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. This HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2014 for the period July 1, 2008 through June 30, 2013. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for this program.

The total pension liability for the FRS and HIS plans was determined by an actuarial valuation as of July 1, 2017. The total pension liability for the HIS plan was determined by an actuarial valuation as of July 1, 2016, with update procedures to determine the liabilities as of June 30, 2017. Both plans used the entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.60%. Payroll growth for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 7.10%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.58% was used to determine the total pension liability for the program. Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB tables.

The following changes in actuarial assumptions occurred in 2017:

- FRS: The long-term expected rate of return decreased from 7.60% to 7.10% and the active member mortality assumptions were updated.
- HIS: The municipal rate used to determine total pension liability increased from 2.85% to 3.58%.



**OTHER SUPPLEMENTAL INFORMATION**

WEST COAST INLAND NAVIGATION DISTRICT  
 SUPPLEMENTAL SCHEDULE OF TAX REVENUES-BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Charlotte	\$ 526,784	\$ 541,655	\$ 14,871
Lee	2,553,886	2,617,030	63,144
Manatee	1,146,472	1,170,477	24,005
Sarasota	1,887,868	1,952,586	64,718
	<u>\$ 6,115,010</u>	<u>\$ 6,281,748</u>	<u>\$ 166,738</u>

**WEST COAST INLAND NAVIGATION DISTRICT  
SUPPLEMENTAL SCHEDULE OF CAPITAL PROJECTS EXPENDITURES – BUDGET AND ACTUAL  
WATERWAY DEVELOPMENT PROGRAM–CURRENT YEAR PROJECTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Budget Amounts			Actual	Project Balance
	Original	Changes	Final		
<b>Charlotte County</b>					
C-206 CC UF/IFAS Ext SVC/Sea Grant	\$ 10,000	\$ (1,207)	\$ 8,793	\$ 8,793	\$ -
C-207 Marine Law Enforcement – CC Sheriff's Office	36,563	(2,008)	34,555	34,555	-
C-208 Charlotte Harbor Environmental Center – 4th Grd FT	55,400	(39,910)	15,490	15,490	-
C-209 USCG Aux Flotilla 87	12,938	(12,938)	-	-	-
C-210 Friends CH Reef Association	3,700	-	3,700	3,700	-
C-211 Learn to Sail, Inc.	8,473	(293)	8,180	8,180	-
C-212 CC Environmental Ctr – Summer Camp	2,380	(1)	2,379	2,379	-
C-213 Charlotte Harbor Youth Sailing	12,500	-	12,500	12,500	-
C-214 Peace River K9 SAR Association, Inc.	4,330	(248)	4,082	4,082	-
C-215 TEAM Punta Gorda	6,450	-	6,450	-	6,450
C-216 Englewood Sailing Association	1,875	-	1,875	1,875	-
C-217 USCG Aux Flotilla 98	42,500	-	42,500	40,507	1,993
C-218 CC Fire/EMS – Boat	212,500	-	212,500	-	212,500
C-219 CC Park & Nature Resource Trestle Rpr	137,768	(67,292)	70,476	70,476	-
Total Charlotte County	547,377	(123,897)	423,480	202,537	220,943
<b>Lee County</b>					
L-457 Garmin Radome	1,300	-	1,300	-	1,300
L-458 Inflatable Rescue Boat	4,000	-	4,000	4,000	-
L-459 Reef Education & Outreach	77,605	-	77,605	8,844	68,761
L-460 Journey Through Our Ecosystem	125,000	-	125,000	-	125,000
L-461 Visitor Education Center Enhancement	45,000	-	45,000	18,440	26,560
L-462 Mobile Mollusk Lab	6,025	-	6,025	3,541	2,484
L-463 Creation of Uniform Signage for Boaters	16,255	-	16,255	-	16,255
L-464 BG FireBoat Replacement/Motor & Equipment	6,512	-	6,512	6,512	-
L-465 Replacement-Aids to Navigation	8,000	-	8,000	3,160	4,840
L-466 Countrywide Navigation Improvements	650,000	-	650,000	-	650,000
L-467 Countrywide Navigation Enforcement	90,000	-	90,000	54,206	35,794
L-468 Navigation Enhancement	70,000	-	70,000	32,239	37,761
L-469 Marine Law Enforcement–Lee County Sheriff's Office	208,845	-	208,845	208,845	-
L-470 Marine Law Enforcement–City of Cape Coral PD	153,372	-	153,372	132,196	21,176
L-471 Marine Law Enforcement – City of Fort Myers PD	82,274	-	82,274	10,356	71,918
L-472 Marine Law Enforcement – City of Sanibel PD	50,000	-	50,000	50,000	-
L-473 Marine Law Enfrcmnt – Town of Fort Myers Beach PD	40,000	-	40,000	26,660	13,340
L-474 D&D Matlacha Boat Ramp Improvements	222,297	-	222,297	-	222,297
L-475 Happehatchee Center ADA Boardwalk/Deck	18,825	-	18,825	13,074	5,751
L-476 Marine Law Enforcement – City of Bonita Springs	40,000	-	40,000	40,000	-
L-477 Big Pass/New Pass Contingency	-	1,000,000	1,000,000	515,090	484,910
Total Lee County	1,915,310	1,000,000	2,915,310	1,127,163	1,788,147
<b>Manatee County</b>					
M-344 Marine Law Enforcement – MC Sheriff's Ofc	71,722	-	71,722	71,722	-
M-345 MC Parks & Natural Resources – Aids to Navigation	75,000	-	75,000	-	75,000
M-346 MC Parks & Natural Resources – DV Removal	50,000	-	50,000	10,657	39,343
M-347 Manatee County Search & Rescue	2,208	-	2,208	2,208	-
M-348 City Bradenton Beach – DV Removal	25,000	-	25,000	15,200	9,800
M-349 Bradenton Beach NearShore Channel Project	-	15,000	15,000	15,000	-
M-350 Palma Sola Bay	-	9,335	9,335	9,335	-
M-351 Countywide Navigation Improv Proj Eng and Perm	-	100,000	100,000	17,749	82,251
Total Manatee County	223,930	124,335	348,265	141,871	206,394

**WEST COAST INLAND NAVIGATION DISTRICT  
SUPPLEMENTAL SCHEDULE OF CAPITAL PROJECTS EXPENDITURES – BUDGET AND ACTUAL – CONTINUED  
WATERWAY DEVELOPMENT PROGRAM–CURRENT YEAR PROJECTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	<b>Budget Amounts</b>			<b>Actual</b>	<b>Project Balance</b>
	<b>Original</b>	<b>Changes</b>	<b>Final</b>		
<i>Sarasota County</i>					
S-310 Englewood Sailing Association – Safety & Coach Boat	7,500	-	7,500	7,500	-
S-311 City of Venice PD – Utility Terrain Vehicle	25,900	-	25,900	-	25,900
S-312 Mote Marine Lab – Manatee Protection	19,885	-	19,885	-	19,885
S-313 City of Sarasota – Centennial Park	310,000	-	310,000	264,817	45,183
S-314 City of Sarasota – DV Removal	20,000	-	20,000	331	19,669
S-315 Sarasota Country Navigation Improvements	50,000	-	50,000	19,435	30,565
S-316 Sarasota Crew, Inc. – Boatyard & Rec Center	140,919	-	140,919	-	140,919
S-317 Sarasota Sailing Squadron – Hoist & Deck Expansion	50,000	-	50,000	-	50,000
S-318 Sarasota Youth Sail-Boat, Sail, Coach Bt	44,000	(727)	43,273	43,273	-
S-319 Town of Longboat Key – FD Equipment	11,738	-	11,738	2,852	8,886
S-320 ToLBK–Bayfront Park Living Shoreline	396,839	-	396,839	396,839	-
S-321 Town of LongBoat Key – DV Removal	10,000	-	10,000	1,300	8,700
S-322 USCG Aux Flotilla 82–Btg Safety&PO	7,500	-	7,500	1,187	6,313
S-323 USCG AuxFlotilla84–Equip&Sply	3,000	-	3,000	3,000	-
S-324 USCG Aux Flotilla 86–Boating Safety	7,050	-	7,050	7,050	-
S-325 USCG Aux Flotilla 87–Public Outreach & Education	9,950	-	9,950	2,085	7,865
S-326 Venice Youth Boating Association–Equipment/Boats	20,000	-	20,000	5,014	14,986
S-327 Marine Law Enforcement – City of Sarasota PD	100,000	-	100,000	100,000	-
S-328 Marine Law Enforcement – SRQ County Sheriff	225,000	-	225,000	161,333	63,667
S-329 Marine Law Enforcement – Town of Longboat Key PD	70,000	-	70,000	70,000	-
S-330 MLE – City of Venice PD	90,000	-	90,000	-	90,000
S-331 10th Street Boat Ramp	-	200,000	200,000	-	200,000
Total Sarasota County	<u>1,619,281</u>	<u>199,273</u>	<u>1,818,554</u>	<u>1,086,016</u>	<u>732,538</u>
<b>Waterway Development Program–Current Year Projects</b>	<b><u>\$ 4,305,898</u></b>	<b><u>\$ 1,199,711</u></b>	<b><u>\$ 5,505,609</u></b>	<b><u>\$ 2,557,587</u></b>	<b><u>\$ 2,948,022</u></b>

**WEST COAST INLAND NAVIGATION DISTRICT  
SUPPLEMENTAL SCHEDULE OF CAPITAL PROJECTS EXPENDITURES – BUDGET AND ACTUAL  
WATERWAY DEVELOPMENT PROGRAM–CARRYOVER PROJECTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Budget Amounts			Actual	Project Balance
	Original	Changes	Final		
C-181 Stump Pass Dredging/Renourishment	\$ 150,000	\$ -	\$ 150,000	\$ 150,000	\$ -
C-192 CC Public Works Offshore Inspection/Survey Boat	251	(251)	-	-	-
C-197 CHEC Boat-Based 4th Grade Environmental Education	5,907	(5,907)	-	-	-
C-198 CHEC Boat-Based Summer Camp Kayak Fishing	11,504	(11,504)	-	-	-
Total Charlotte County	167,662	(17,662)	150,000	150,000	-
L-381 Lee County Navigation Improvement Coordination	456	(456)	-	-	-
L-385 Marine Law Enforcement Ft. Myers PD FY14	34	(34)	-	-	-
L-396 Imaginarium Group – Science Education Aquariums	5,000	(5,000)	-	-	-
L-402 City of Sanibel – Public Ramp Dock/Dredging Work	7,173	(7,173)	-	-	-
L-409 Navigational Resource Enforcmnt	18,902	(18,902)	-	-	-
L-410 Derelict Vessel Removal FY14/15	8,347	-	8,347	-	8,347
L-414 Marine Law Enforc FMPD FY 14/15	10,016	-	10,016	9,978	38
L-421 City of Cape Coral Fire Dept – Port Marine Fire Pumps	153	(153)	-	-	-
L-424 Lee County Sheriff's Office Marine Unit Boat Safety	453	-	453	453	-
L-426 Island Coast High School – Sustainability Action	172,000	-	172,000	170,608	1,392
L-429 New Pass Maintence Dredge	1,483,304	-	1,483,304	358,349	1,124,955
L-430 Countywide Navigation Improvements FY16	298,587	-	298,587	167,167	131,420
L-431 Countywide Navigation Enforcement FY16	36,384	-	36,384	19,546	16,838
L-432 Abandoned Vessel Removal FY16	85,000	-	85,000	85,000	-
L-433 Marine Safety and Navigation Work Vessel	250,000	-	250,000	56,035	193,965
L-434 Boating Safety Signs and AED	110	(110)	-	-	-
L-436 Marine Law Enforcement CCPD FY16	17,168	-	17,168	17,168	-
L-438 Marine Law Enforcement LCSO FY16	14,722	-	14,722	14,722	-
L-439 Rapid Diver Pro 1st Responder Equipment	198	(198)	-	-	-
L-440 Sidescan Sonar Search & Rescue	682	(682)	-	-	-
L-441 Headsets for Firefighting Vessel	2,482	(2,482)	-	-	-
L-442 Vessel De-Watering Pump	2	(2)	-	-	-
L-443 Edison Sailing Center Vessel Purchase	32,483	-	32,483	-	32,483
L-444 Cape Coral Rowing Club Scholastic Program	8,545	-	8,545	8,248	297
L-446 USCG Aux Cape Coral – Radios	1,800	-	1,800	1,800	-
L-447 Clear Your Gear Project and VEC Improvements	39,989	-	39,989	24,975	15,014
L-448 Recon Website Rebuild	34,598	-	34,598	34,569	29
L-449 Sea Grasses, Manatees, and Dolphin Education	9,400	-	9,400	8,652	748
L-450 Stand Up for the Ocean	14,109	(14,109)	-	-	-
L-451 Sea Turtle Educational Panel	3,000	-	3,000	2,965	35
L-452 Shell Exhibit Fabrication and Installation	105,395	-	105,395	90,090	15,305
L-453 Visitor Center Exhibits	25,000	(25,000)	-	-	-
L-456 Big Carlos Pass Dredging–Constr	940,339	-	940,339	967,898	(27,559)
Total Lee County	3,625,831	(74,301)	3,551,530	2,038,223	1,513,307
M-240 City of Anna Maria Waterway Dredging	79,875	-	79,875	-	79,875
M-320 USCG Auxiliary 81 Classes	454	(454)	-	-	-
M-321 USCG Auxiliary 84 Equipment	1,171	(1,171)	-	-	-
M-323 West Manatee Fire District – Boat	19,157	(19,157)	-	-	-
M-324 MC Parks/Natural Resources – Robinson Canoe/Kayak	113,126	-	113,126	28,433	84,693
M-325 MC Parks/Natural Resources – Ft Hamer Boat Ramp	237,500	-	237,500	78,081	159,419
M-330 Aids to Navigation	234	(234)	-	-	-
M-331 Lake LaVista Survey & Engineering	84,265	-	84,265	-	84,265
M-334 City of Bradenton beach Police Department	1,500	-	1,500	1,500	-
M-335 Manatee County P&R/NR Abandoned Vessel Removal	25,128	(348)	24,780	24,780	-
M-336 Manatee County P&R/NR Aids to Navigation	61,950	-	61,950	13,169	48,781
M-337 Manatee County Public Safety Swim Zone Buoys	575	(575)	-	-	-
M-338 Suncoast Science Cneter "What's In Your Water"	12,000	-	12,000	-	12,000
M-339 USCG Aux Flotilla #84	3,000	-	3,000	3,000	-
M-340 Civil Air Patrol (CAP)	9,276	-	9,276	9,276	-
M-341 USCG Aux Flotilla #81	1,500	-	1,500	-	1,500
M-342 USCG Aux Flotilla #85	9,537	-	9,537	4,070	5,467
M-343 MC P&R/NR Conquina North Boat Ramp Removation	1,400,000	-	1,400,000	891,000	509,000
Total Manatee County	2,060,248	(21,939)	2,038,309	1,053,309	985,000

**WEST COAST INLAND NAVIGATION DISTRICT  
SUPPLEMENTAL SCHEDULE OF CAPITAL PROJECTS EXPENDITURES – BUDGET AND ACTUAL – CONTINUED  
WATERWAY DEVELOPMENT PROGRAM–CARRYOVER PROJECTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	<b>Budget Amounts</b>			<b>Actual</b>	<b>Project Balance</b>
	<b>Original</b>	<b>Changes</b>	<b>Final</b>		
S-241 City of Sarasota #2 10th Street Boat Ramp	200,000	(200,000)	-	-	-
S-242 City of Venice Marine Fire Department Boat Lift	9,383	(9,383)	-	-	-
S-254 City of Sarasota MLE	20	(20)	-	-	-
S-258 City of Sarasota – 10th St Boat Ramp and Basin Dredge	300,000	-	300,000	300,000	-
S-259 City of Sarasota – Island Park Seawall	50,000	-	50,000	50,000	-
S-261 City of Sarasota – Centennial Park Boat Ramps	25,000	-	25,000	25,000	-
S-266 SailFuture Inc – Capri Sailboats	5,000	-	5,000	5,000	-
S-267 SC Parks and Recreation–Manasota Bch Boat Ramp Parking	350,000	-	350,000	350,000	-
S-268 SC Parks and Rec – Ted Sperling Pk BW & Obs Decks Repl	105,000	-	105,000	105,000	-
S-276 USCG Auxiliary 92 – Educational Materials	2,061	(16)	2,045	2,045	-
S-282 City of Sarasota Mooring Fields	1	(1)	-	-	-
S-285 Mote Marine Lab – Manatee PP	18,042	-	18,042	3,160	14,882
S-286 Mote Marine Lab – Marine Mammal Response	22,292	-	22,292	22,292	-
S-287 City of Sarasota 10th Street Boat Ramp	510,000	-	510,000	-	510,000
S-288 City of Sarasota Derelict Vessel Removal	20,000	-	20,000	20,000	-
S-289 Blackburn Point Park Channel Stabilization	150,000	(150,000)	-	-	-
S-290 Navigation Improvements	24,902	-	24,902	24,902	-
S-292 Sailing Squadron – Education & Support Boat	13,580	-	13,580	11,079	2,501
S-293 Sailing Squadron – Replace Dock	5,186	-	5,186	498	4,688
S-295 Town of LBK – Bayfront Park Living Shoreline	50,000	-	50,000	50,000	-
S-296 Town of LBK Fire Rescue – Emergency Response Boat	8,360	-	8,360	8,360	-
S-298 USCG Auxiliary Flotilla 84	609	-	609	609	-
S-300 USCG Auxiliary Flotilla 87	210	-	210	210	-
S-301 Venice Youth Boating Association	40,000	-	40,000	40,000	-
S-304 SSCO Marine Patrol	198,008	-	198,008	198,008	-
S-306 Venice PD Marine Patrol	44,295	-	44,295	44,295	-
Total Sarasota County	<u>2,151,949</u>	<u>(359,420)</u>	<u>1,792,529</u>	<u>1,260,458</u>	<u>532,071</u>
<b>Waterway Development Program–Carry Over Projects</b>	<b><u>\$ 8,005,690</u></b>	<b><u>\$ (473,322)</u></b>	<b><u>\$ 7,532,368</u></b>	<b><u>\$ 4,501,990</u></b>	<b><u>\$ 3,030,378</u></b>

**WEST COAST INLAND NAVIGATION DISTRICT  
SUPPLEMENTAL SCHEDULE OF CAPITAL PROJECTS EXPENDITURES – BUDGET AND ACTUAL  
COOPERATIVE ASSISTANCE PROGRAM  
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Budget Amounts			Actual	Project Balance
	Original	Changes	Final		
CAP-82 Coastal Inlet Navigation Fund	\$ (1,943)	\$ -	\$ (1,943)	\$ -	\$ (1,943)
CAP-84 Florida Gulfcoast University	4,190	-	4,190	-	4,190
CAP-85 Florida Sea Grant	12,334	-	12,334	-	12,334
CAP-87 Longboat Emergency Beach Fill	(18,363)	18,363	-	-	-
CAP-88 Coastal Inlet Navigation Fund	60,708	-	60,708	60,708	-
CAP-90 Florida Gulfcoast University	25,000	-	25,000	-	25,000
CAP-91 Florida Sea Grant	3,500	-	3,500	-	3,500
CAP-92 Anita's Sandcastle	50,000	-	50,000	-	50,000
CAP-94 Coastal Inlet Navigation Fund	150,000	-	150,000	25,124	124,876
CAP-96 Habitat Restoration Initiatives	40,000	-	40,000	7,500	32,500
CAP-97 Regional Derelict Vessel Initiative	130,000	-	130,000	14,500	115,500
CAP-98 Strategic Plan Initiative	193,375	-	193,375	120,052	73,323
CAP-99 Charlotte County Trestle Regional Nav Proj	574,159	-	574,159	235,320	338,839
CAP-100 Coastal Inlet Navigation Fund CAP100	120,000	-	120,000	19,042	100,958
CAP-101 Regional Navigation Projects	120,000	-	120,000	-	120,000
CAP-523 Venice Inlet Mgmt.(Year 6)	64,316	-	64,316	4,480	59,836
CAP-524 Longboat Pass Inlet Management (Year 6)	42,913	-	42,913	6,325	36,588
CAP-525 Venice Inlet Mgmt.(Year 7)	75,000	-	75,000	-	75,000
CAP-527 Longboat Pass Inlet Management (Year 7)	75,000	-	75,000	-	75,000
CAP-528 Venice Inlet Management (Year 8)	75,000	-	75,000	-	75,000
CAP-529 Longboat Pass Inlet Management (Year 8)	75,000	-	75,000	-	75,000
CAP-530 Venice Inlet Management (Year 9)	75,000	-	75,000	-	75,000
CAP-531 Longboat Pass Inlet Management (Year 9)	75,000	-	75,000	-	75,000
CAP-532 Venice Inlet Management (Year 10)	75,000	-	75,000	-	75,000
CAP-533 Longboat Pass Inlet Management (Year 10)	75,000	-	75,000	-	75,000
CAP-534 Derelect Vessel Removal	40,000	-	40,000	5,570	34,430
<b>Total Cooperative Assistance Program</b>	<b>2,210,189</b>	<b>18,363</b>	<b>2,228,552</b>	<b>498,621</b>	<b>1,729,931</b>
<b>OTHER PROJECTS</b>					
ACOE Section 1135	275,351	-	275,351	-	275,351
ACOE Contributed Funds Agreement	50,000	-	50,000	50,000	-
ACOE Contributed Funds Agreement	50,000	-	50,000	-	50,000
Regional Dredged Materials Plan	17,288	-	17,288	-	17,288
<b>Total Other Projects</b>	<b>392,639</b>	<b>-</b>	<b>392,639</b>	<b>50,000</b>	<b>342,639</b>
<b>TOTAL CAP AND OTHER</b>	<b>\$ 2,602,828</b>	<b>\$ 18,363</b>	<b>\$ 2,621,191</b>	<b>\$ 548,621</b>	<b>\$ 2,072,570</b>
Current year projects	\$ 280,000	\$ -	\$ 280,000	\$ 24,612	\$ 255,388
Carryover projects	2,322,828	18,363	2,341,191	524,009	1,817,182
<b>Total Cooperative Assistance Program</b>	<b>\$ 2,602,828</b>	<b>\$ 18,363</b>	<b>\$ 2,621,191</b>	<b>\$ 548,621</b>	<b>\$ 2,072,570</b>
<b>Total All Counties Expense</b>	<b>\$ 14,914,416</b>	<b>\$ 744,752</b>	<b>\$ 15,659,168</b>	<b>\$ 7,608,198</b>	<b>\$ 8,050,970</b>

**WEST COAST INLAND NAVIGATION DISTRICT  
SUPPLEMENTAL SCHEDULE OF EXPENDITURES – BUDGET BASIS  
ADMINISTRATIVE, MAINTENANCE AND OTHER EXPENDITURES  
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	ORIGINAL BUDGET	CHANGES	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>ADMINISTRATION</b>					
Executive director – salary	\$ 99,750	\$ -	\$ 99,750	\$ 97,677	\$ 2,073
Project and administration – salaries	117,738	-	117,738	112,782	4,956
Group insurance	53,000	-	53,000	52,714	286
State retirement	34,800	-	34,800	29,904	4,896
Social security	17,000	-	17,000	16,044	956
Advertising	7,000	-	7,000	2,806	4,194
Audit and accounting	22,000	-	22,000	21,912	88
Board travel	1,000	-	1,000	817	183
Staff travel	8,000	-	8,000	8,027	(27)
Utilities	4,500	-	4,500	2,296	2,204
Telephone	3,500	-	3,500	3,476	24
Insurance – commercial	25,000	-	25,000	23,626	1,374
Office supplies and expense	3,000	-	3,000	3,110	(110)
Postage	1,500	-	1,500	522	978
Dues and subscriptions	2,500	-	2,500	1,609	891
Office and grounds	6,000	-	6,000	3,805	2,195
Financial fees	1,300	-	1,300	1,125	175
Accounting services	24,000	-	24,000	24,000	-
IT support	5,000	-	5,000	5,100	(100)
Contingency	75,000	-	75,000	47,708	27,292
<b>Total Administration Expense</b>	<b>\$ 511,588</b>	<b>\$ -</b>	<b>\$ 511,588</b>	<b>\$ 459,060</b>	<b>\$ 52,528</b>
<b>MAINTENANCE</b>					
Spoil area	\$ 115,000	\$ -	\$ 115,000	\$ 115,000	\$ -
Engineering	5,000	-	5,000	5,000	-
Legislative	70,000	-	70,000	60,202	9,798
Legal and litigation	70,000	-	70,000	67,748	2,252
Legal overlap	20,000	-	20,000	11,040	8,960
Fleet maintenance	5,000	-	5,000	3,552	1,448
<b>Total Maintenance Expense</b>	<b>\$ 285,000</b>	<b>\$ -</b>	<b>\$ 285,000</b>	<b>\$ 262,542</b>	<b>\$ 22,458</b>
<b>OTHER</b>					
Commissions appraisers / tax collectors	\$ 200,000	\$ -	\$ 200,000	\$ 191,074	\$ 8,926
Tax refunds	-	-	-	4,818	(4,818)
<b>Total Other Expense</b>	<b>\$ 200,000</b>	<b>\$ -</b>	<b>\$ 200,000</b>	<b>\$ 195,892</b>	<b>\$ 4,108</b>



## **OTHER AUDITOR'S REPORTS**

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners  
West Coast Inland Navigation District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the West Coast Inland Navigation District (District), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 25, 2018.

**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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

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

## Purpose of this Report

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

*Christopher, Smith, Leonard,  
Bristow & Stanell, P.A.*

CHRISTOPHER, SMITH, LEONARD,  
BRISTOW & STANELL, P.A.

May 25, 2018  
Bradenton, Florida

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MANAGEMENT LETTER

To the Board of Commissioners  
West Coast Inland Navigation District

**Report on the Financial Statements**

We have audited the financial statements of West Coast Inland Navigation District as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated May 25, 2018.

**Auditor's 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 Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's 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 May 25, 2018, should be considered in conjunction with this management letter.

**Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding audit report.

**Financial Condition and Management**

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

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

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 find any such recommendation.

#### **Annual Financial Report**

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, requires us to apply appropriate procedures and communicate the results of our determination as to whether the annual financial report for the West Coast Inland Navigation District for the fiscal year ended September 30, 2017, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2017. In connection with our audit, we determined that these two reports were in agreement.

#### **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 have any such findings.

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

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

*Christopher, Smith, Leonard,  
Bristow & Stanell, P.A.*

CHRISTOPHER, SMITH, LEONARD,  
BRISTOW & STANELL, P.A.

May 25, 2018  
Bradenton, Florida



INDEPENDENT ACCOUNTANT'S REPORT ON INVESTMENT COMPLIANCE

To the Board of Commissioners  
West Coast Inland Navigation District

We have examined West Coast Inland Navigation District's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2017. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance with the 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 specific 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 Section 218.415, Florida Statutes, regarding the investment of public funds for the year ended September 30, 2017.

This report is intended solely for the information and use of the District and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

*Christopher, Smith, Leonard  
Bristow & Stanell, P.A.*

CHRISTOPHER, SMITH, LEONARD,  
BRISTOW & STANELL, P.A.

May 25, 2018  
Bradenton, Florida