



# ONE LAGOON

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INDIAN RIVER LAGOON  
NATIONAL ESTUARY PROGRAM

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## IRL COUNCIL Finance Advisory Committee

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*This meeting is open to the public*

**July 10, 2018**

**10:00 AM**

*Up the Creek Farms, 3590 Valkaria Road, Grant-Valkaria, FL 32950*

*The order of items appearing on the agenda is subject to change during the meeting and is at the discretion of the presiding officer. Anyone wishing to speak on any item is requested to complete a speaker's card.*

**1. Call to Order** (Stu Glass, Chair)

**2. Agenda Revisions** (Stu Glass, Chair)

*Note any known changes and inquire if any members have suggested revisions.*

**3. Minutes Approval** (Stu Glass, Chair)

Requested Action: Motion to approve the minutes from Finance Advisory Committee meeting of April 10, 2018.

**4. Public Comment**

**5. New Business**

a. **Audit Findings** (Frank Sakuma)

Requested Action: No action requested. Update will cover findings to be presented by Auditors to the Board at the July 13<sup>th</sup> meeting.

b. **Budget Revision(s)**

1. **FY 2017–2018 Budget Amendment** (Frank Sakuma)

Requested Action: Request Management Board recommend the Board of Directors adopt resolution 2018-03 amending the FY 2017-2018 budget, based on annual audit reconciliation and projections to year-end.

2. FY 2018-2019 Budget Amendment (Frank Sakuma)

Requested Action: Request Management Board recommend the Board of Directors adopt resolution 2018-04 amending the FY 2018-2019 budget, identifying funds available after reconciliation of annual financial audit.

**6. Final Comments (FAC, Staff, Public)**

**7. Adjourn**

*NOTE: If a person decides to appeal any decision made by the Board with respect to any matter considered at such meeting or hearing, he or she will need a record of the proceedings, and that, for such purpose, he or she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. Section 286.0105, Florida Statutes (2014).*

*Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this workshop/meeting is asked to advise the agency at least 48 hours before the workshop/meeting by contacting: Kathy Hill at (321) 536-6039. If you are hearing or speech impaired, please contact the agency using the Florida Relay Service, 1(800) 955-8771 (TDD) or 1(800) 955-8770 (Voice). For more information, you may contact: Kathy Hill, IRL Council, 1235 Main St, Sebastian, FL 32958, (321) 536-6039, or by email at [hill@irlcouncil.org](mailto:hill@irlcouncil.org).*



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# IRL COUNCIL

## MANAGEMENT BOARD - FINANCE SUBCOMMITTEE

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Minutes from the meeting of April 10, 2018

10:00 AM

*Environmental Learning Center, 255 Live Oak Drive*

**Attendance:**

Joe Falzone, Chris Hendricks, Stu Glass, Kelli McGee, Frank Sakuma, Kathy Hill

**Agenda Item 1. Call to Order**

Frank Sakuma called the meeting to order and welcomed members present.

**Agenda Item 2. Election of Chair**

Frank informed the members that Joel Zwemer had resigned from the Finance Subcommittee and that a new chair was needed. Chris Hendricks recommended Stu Glass. Mr. Glass agreed to become chair. Motion made by Chris Hendricks, seconded by Joel Fazione. Motion carried unanimously.

**Agenda Item 3. Agenda Revisions**

None.

**Agenda Item 4. Minutes Approval**

Chris Hendricks motioned to accept the minutes from the January 9, 2018 meeting. Kelli McGee seconded. Motion carried unanimously.

**Agenda Item 5. Public Comment**

None.

**Agenda Item 6. New Business**

- a. FY 2018-2019 Final Budget (Frank Sakuma)

Requested Action: Finance Advisory Committee recommendation to IRL Management Board to recommend approval of the FY 2018-2019 Final Budget to the IRL Council Board of Directors.

Frank Sakuma reviewed the draft Final Budget for FY 2018-2019 with the committee and answered questions about details.

A MOTION WAS MADE BY JOE FALZONE, SECONDED BY CHRIS HENDRICKS TO RECOMMEND TO THE MANAGEMENT BOARD APPROVAL OF THE FY 2018-2019 FINAL BUDGET BY THE IRL COUNCIL BOARD OF DIRECTORS. MOTION CARRIED UNANIMOUSLY.

A MOTION WAS MADE BY KELLI MCGEE, SECONDED BY CHRIS HENDRICKS, TO RECOMMEND TO THE MANAGEMENT BOARD APPROVAL OF THE FY 2018-2019 BUSINESS PLAN. MOTION CARRIED UNANIMOUSLY.

b. Monthly Financial Statements Review (Frank Sakuma)

Requested Action: No motion required. For information only.

Presented are a summary page, detail report, monthly balance sheet, and monthly budget vs. actual reports.

Frank Sakuma reviewed the monthly financial statements and answered any questions regarding particular transactions. No action was requested.

c. Seacoast Bank (1/30/18) teleconference update to Finance Committee (Frank Sakuma)

Requested Action: No motion required. For information only.

Frank Sakuma briefed the members present regarding a conference call with Seacoast Bank to discuss more cost-effective banking practices for the IRL Council. No action was requested.

**Agenda Item 7. Final Comments**

None.

**Agenda Item 8. Adjourn**

A MOTION WAS MADE BY STU GLASS, SECONDED BY CHRIS HENDRICKS TO ADJOURN THE MEETINGS. MOTION CARRIED UNANIMOUSLY.

**IRL COUNCIL**  
**FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

**IRL COUNCIL  
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FOR THE YEAR ENDED SEPTEMBER 30, 2017**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors,  
IRL Council:

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

We have audited the accompanying financial statements of the governmental activities and the general fund of the IRL Council (the Council), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

The Council's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement, 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 principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the IRL Council, as of September 30, 2017, and the respective changes in financial position thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

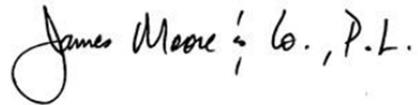
## **Other Matters**

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2018, on our consideration of the Council'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 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 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 Council's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Daytona Beach, Florida  
June 25, 2018

## **IRL COUNCIL MANAGEMENT'S DISCUSSION AND ANALYSIS**

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As management of the IRL Council (the "Council"), we offer readers of the Council's financial statements this narrative overview and analysis of the financial activities of the Council for the fiscal year ended September 30, 2017. We encourage readers to view the information presented herein in conjunction with additional information furnished in the Council's financial statements following this narrative.

### ***FINANCIAL HIGHLIGHTS***

The Council's net position at year end September 30, 2017 is \$1,532,569. Last fiscal year, September 30, 2016, the Council's net position was \$1,019,365. This is an increase in net position of \$513,204 from last year. Net position includes both restricted funds to be used for specific projects and expenses, and unrestricted funds to be used for any lawful project or expense of the Council.

During the current year, total expenses were \$1,534,250 versus total revenue of \$2,047,454.

### ***USING THIS ANNUAL REPORT***

The report consists of three components: 1) government-wide financial statements providing information about the activities of the Council as a whole; 2) fund financial statements providing information about the significant funds of the Council; 3) notes to the financial statements providing supplementary and explanatory information.

**Government-wide Financial Statements** - The first two statements, "Statement of Net Position" and "Statement of Activities", are designed to provide a broad overview of the Council's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide information about the Council's financial status as a whole. These statements include details of income during the year and a breakdown by category of expenses for activities and administration of the Council. The statements include all assets, deferred outflows of financial resources, liabilities, and deferred inflows of financial resources using the accrual basis of accounting. This means that all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Council's net position and changes in net position. The net position – the difference between assets and deferred outflows, and liabilities and deferred inflows – is an important measure of the Council's financial health.

**Fund Financial Statements** - The next three statements provide a detailed look at the Council's major fund. The Council, like all government entities, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements. The fund statements do not reflect the activities of the Council as a whole. All of the funds of the Council are included in only one category: governmental funds. All activities of the governmental funds are included in only one fund: General Fund.

Notes to the financial statements provide additional detail concerning the financial activities and financial balances of the Council. Additional information, if applicable, about the accounting practices of the Council, investments of the Council, long term debt, and pension plan are some of the items included in the *notes to the financial statements*.

**IRL COUNCIL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

**IRL Council - Net Position**

	<u>Governmental Activities</u>		<u>Increase (Decrease)</u>
	<u>2017</u>	<u>2016</u>	
<b>Assets</b>			
Cash	\$ 2,108,175	\$ 1,368,156	\$ 740,019
Receivables - funding agencies	26,891	-	26,891
Due from other governments	409,024	213,266	195,758
Prepaid expenses and other assets	1,819	-	1,819
Due from other governments, restricted	55,872	64,595	(8,723)
Restricted cash	279,477	210,000	69,477
<b>Total Assets</b>	<b>\$ 2,881,258</b>	<b>\$ 1,856,017</b>	<b>\$ 1,025,241</b>
<b>Deferred Outflows of Resources</b>			
Deferred outflows related to pension	\$ 198,459	\$ 93,780	\$ 104,679
<b>Liabilities</b>			
Accounts payable	\$ 567,604	\$ 258,886	\$ 308,718
Unearned revenue	712,500	550,000	162,500
<b>Noncurrent liabilities</b>			
Due within one year:			
Compensated absences payable	23,034	15,668	7,366
Due in more than one year:			
Compensated absences payable	2,559	1,741	818
Net pension liability	229,794	103,501	126,293
<b>Total Liabilities</b>	<b>\$ 1,535,491</b>	<b>\$ 929,796</b>	<b>\$ 605,695</b>
<b>Deferred Inflows of Resources</b>			
Deferred inflows related to pension	\$ 11,657	\$ 636	\$ 11,021
<b>Net Position</b>			
Restricted for specialty license plate related expenditures	\$ 335,349	\$ 274,595	\$ 60,754
Unrestricted	1,197,220	744,770	452,450
<b>Total Net Position</b>	<b>\$ 1,532,569</b>	<b>\$ 1,019,365</b>	<b>\$ 513,204</b>

**IRL COUNCIL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

**IRL Council - Changes in Net Position**

	<u>Governmental Activities</u>		<u>Increase (Decrease)</u>
	<u>2017</u>	<u>2016</u>	
<u>Revenues</u>			
Member Contributions	\$ 1,500,000	\$ 1,242,125	\$ 257,875
Federal grants	409,024	433,799	(24,775)
State specialty license plates	133,786	274,595	(140,809)
Miscellaneous	4,644	2,726	1,918
Total Revenue	<u>\$ 2,047,454</u>	<u>\$ 1,953,245</u>	<u>\$ 94,209</u>
<u>Expenses</u>			
Current:			
Physical Environment -			
- conservation and resource management	\$ 1,493,431	\$ 933,880	\$ 559,551
Total Expenses	<u>\$ 1,493,431</u>	<u>\$ 933,880</u>	<u>\$ 559,551</u>
Increase (Decrease) in Net Position	<u>\$ 554,023</u>	<u>\$ 1,019,365</u>	<u>\$ (465,342)</u>

**Governmental Activities**

Revenues for the Council's activities in this fiscal year totaled \$2,047,454. These revenues represent an increase of \$94,209 from the previous year total of \$1,953,245. This increase over the prior year is primarily due to having the first full year of all member contributions.

In the current year there was \$133,786 of State specialty license plate revenue. This revenue is restricted to activities that support water quality improvement, habitat restoration, and public awareness and education of the economically significant Indian River Lagoon. The amount of this revenue in the prior year was \$274,595. This is a decrease of \$140,809. Since this revenue is solely based on the voluntary purchase of the specialty license plate by the public, this amount is expected to fluctuate. \$64,309 were expensed during the fiscal year ended September 30, 2017 for those activities. This was the first year the district had expenditures for qualifying activities so there is no amount for a prior year comparison.

Expenses totaled \$1,493,431, an increase of \$559,551 from the previous year total of \$933,880. This increase in expenditures is primarily the result of an increase in strategic projects which is one of the main functions of the district. This increase was expected as the district became more established.

**IRL COUNCIL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

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**IRL Council - General Fund Balance Sheet**

	<u>Governmental Funds</u>		
	<u>2017</u>	<u>2016</u>	<u>Increase (Decrease)</u>
<u>Current and other assets</u>	\$ 2,881,258	\$ 1,856,017	\$ 1,025,241
Total assets	<u>\$ 2,881,258</u>	<u>\$ 1,856,017</u>	<u>\$ 1,025,241</u>
Liabilities	\$ 1,280,104	\$ 808,886	\$ 471,218
<u>Fund balance</u>	<u>1,601,154</u>	<u>1,047,131</u>	<u>554,023</u>
Total liabilities and fund balance	<u>\$ 2,881,258</u>	<u>\$ 1,856,017</u>	<u>\$ 1,025,241</u>

Fund balance increased this year by \$554,023.

**Budgetary Highlights**

The Council performed favorably regarding net revenues to expenditures compared to the budget. Total actual revenues came in \$177,546 under the final budgeted total revenues. This was mainly due to timing of the expected grant revenue reimbursements.

There was a positive variance in total annual expenditures. Actual fiscal year expenditures were \$731,569 less than final budgeted expenditures, primarily due to encumbrances which will carry over into the next fiscal year.

There was one budget amendment in the current year, which reduced Federal grants revenues and expenditures by \$25,000.

**Economic Factors and the 2017-2018 Budget**

The Indian River Lagoon National Estuary Program (Program) was historically funded with EPA Section 320 grant funds. Those funds were used for local cost-share projects in support of the Indian River Lagoon Comprehensive Conservation and Management Plan (CCMP). Over the past several years those revenues were approximately \$600,000 per year. Council member contributions have increased funding of the Program to \$1.5 million. This increased funding expanded the number of CCMP projects in the IRL watershed.

**IRL COUNCIL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

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**Contacting the Council's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Council's finances and to show the Council's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the IRL Council Main Office, at Indian River Lagoon National Estuary Program, 1235 Main Street, Sebastian, Florida 32958.

**IRL COUNCIL**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2017**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash	\$ 2,108,175
Due from other governments	409,024
Receivables - funding agencies	26,891
Prepaid expenses and other assets	1,819
Due from other governments, restricted	55,872
Restricted cash	279,477
Total assets	<u><u>\$ 2,881,258</u></u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pension	<u><u>\$ 198,459</u></u>
 <b>LIABILITIES</b>	
Accounts payable	\$ 567,604
Unearned revenue	712,500
Noncurrent liabilities	
Due within one year:	
Compensated absences payable	23,034
Due in more than one year:	
Compensated absences payable	2,559
Net pension liability	229,794
Total liabilities	<u><u>\$ 1,535,491</u></u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pension	<u><u>\$ 11,657</u></u>
 <b>NET POSITION</b>	
Restricted for specialty license plate related expenditures	\$ 335,349
Unrestricted	1,197,220
Total net position	<u><u>\$ 1,532,569</u></u>

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

**IRL COUNCIL  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

		<b>Program Revenues</b>			<b>Net Revenue and Changes in Net Position</b>
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>
<b>Governmental activities</b>					
Physical environment - conservation and resource management	\$ 1,534,250	\$ -	\$ 2,042,810	\$ -	\$ 508,560
<b>Total governmental activities</b>	<b>\$ 1,534,250</b>	<b>\$ -</b>	<b>\$ 2,042,810</b>	<b>\$ -</b>	<b>508,560</b>
General revenues:					
Interest					4,644
Total general revenues					4,644
Change in net position					513,204
Net position at beginning of year					1,019,365
Net position at end of year					<b>\$ 1,532,569</b>

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

**IRL COUNCIL  
BALANCE SHEET - GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2017**

	<b>General Fund</b>
<b>ASSETS</b>	
Cash	\$ 2,108,175
Accounts receivable	26,891
Due from other governments	409,024
Prepaid expenses and other assets	1,819
Due from other governments, restricted	55,872
Restricted cash	279,477
Total assets	\$ 2,881,258
<b>LIABILITIES</b>	
Accounts payable and accrued expenses	\$ 567,604
Unearned revenue	712,500
Total liabilities	1,280,104
<b>FUND BALANCE</b>	
Nonspendable for prepaids	1,819
Restricted for specialty license plate related expenditures	335,349
Unassigned	1,263,986
Total fund balance	1,601,154
Total Liabilities and Fund Balance	\$ 2,881,258

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

**IRL COUNCIL  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2017**

**Total fund balance - general fund** \$ 1,601,154

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

On the governmental fund statements, a net pension liability is not recorded until an amount is due and payable and the pension plan's fiduciary net position is not sufficient for payment of those benefits (no such liability exists at the end of the current fiscal year). On the statement of net position, the Council's net pension liability of the defined benefit pension plans is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to pensions are also reported.

Net pension liability	(229,794)
Deferred outflows related to pensions	198,459
Deferred inflows related to pensions	(11,657)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities consist of the following:

Compensated absences	(25,593)
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**Total net position - governmental activities** \$ 1,532,569

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

**IRL COUNCIL  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	<b>General Fund</b>
<b>REVENUES</b>	
Member contributions	\$ 1,500,000
Federal grants	409,024
State specialty license plates	133,786
Miscellaneous	4,644
Total revenues	2,047,454
 <b>EXPENDITURES</b>	
Current:	
Physical environment - conservation and resource management	1,493,431
Total expenditures	1,493,431
 <b>Net change in fund balance</b>	 554,023
 <b>Fund balance at beginning of year</b>	 1,047,131
 <b>Fund balance at end of year</b>	 \$ 1,601,154

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

**IRL COUNCIL**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

<b>Net change in fund balance - total general fund</b>	<b>\$ 554,023</b>
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Governmental funds report contributions to defined benefit pension plans as expenditures. However, in the statement of activities, the amount contributed to defined benefit pension plans reduces future net pension liability. Also included in pension expense in the statement of activities are amounts required to be amortized related to pension deferred inflows/outflows.</p>	
Change in net pension liability and deferred inflows/outflows related to pensions	(32,635)
<p>Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. These adjustments are as follows:</p>	
Change in compensated absences liability	(8,184)
<b>Change in net position of governmental activities</b>	<b><u>\$ 513,204</u></b>

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

**IRL COUNCIL**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Member contributions	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ -
Federal grants	625,000	600,000	409,024	(190,976)
State specialty license plates	125,000	125,000	133,786	8,786
Miscellaneous	-	-	4,644	4,644
<b>Total revenues</b>	<u>2,250,000</u>	<u>2,225,000</u>	<u>2,047,454</u>	<u>(177,546)</u>
<b>EXPENDITURES</b>				
Current:				
Physical environment - conservation and resource management	2,250,000	2,225,000	1,493,431	731,569
<b>Total expenditures</b>	<u>2,250,000</u>	<u>2,225,000</u>	<u>1,493,431</u>	<u>731,569</u>
<b>Net change in fund balance</b>	<u>-</u>	<u>-</u>	<u>554,023</u>	<u>554,023</u>
<b>Fund balance at beginning of year</b>	1,047,131	1,047,131	1,047,131	-
<b>Fund balance at end of year</b>	<u>\$ 1,047,131</u>	<u>\$ 1,047,131</u>	<u>\$ 1,601,154</u>	<u>\$ 554,023</u>

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

**IRL COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

(1) **Summary of Significant Accounting Policies:**

The financial statements of the IRL Council (the Council) have been prepared in accordance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for promulgating governmental accounting and financial reporting principles. The following is a summary of the Council's significant accounting policies:

(a) **Reporting entity**—The Council is a tax-exempt association of Counties and other non-federal agencies, which is organized to achieve the goals adopted in the Comprehensive Conservation and Management Plan for the Indian River Lagoon Estuary Program through detailed action plans prepared by each member agency of the association.

The Council was established by interlocal agreement February 19, 2015, pursuant to the authority of Section 163.01, *Florida Statutes*. The basic operations of the Council are financed primarily through grants from the Environmental Protection Agency, contributions from the member counties and two Water Management Districts.

Criteria for determining if other entities are potential component units that should be reported within the Council's basic financial statements are identified and described in Governmental Accounting Standards Board ("GASB") of Statement No. 61, *The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34*. The application of these criteria provides for identification of any entities for which a financial benefit and burden relationship between the primary government (the Council) and the organization exist, and other organizations for which the nature and significance of their relationship with the Council are such that exclusion would cause the Council's financial statements to be misleading. Based on the application of these criteria, no potential component units were identified.

(b) **Government-wide financial statements**—The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on the primary government.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows. Grants are recognized in the fiscal year in which all eligibility requirements are met.

(c) **Governmental fund financial statements**—The governmental fund financial statements are presented using the current financial resources and modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Council considers all revenues available if they are collected within 60 days after year-end, with the exception of grant and contract fees for which the period is nine months. Expenditures are recorded when the related fund liability is incurred, except for compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds.

**IRL COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

(1) **Summary of Significant Accounting Policies:** (Continued)

Under the terms of grant agreements, the Council funds certain programs by a combination of specific cost reimbursement grants, other grants, and general revenues. Therefore, when program expenses are incurred and there are restricted and unrestricted net positions available to finance the program, it is the Council's policy to first apply cost-reimbursement grant resources to such programs, followed by other grants and then general revenues.

The Council reports the following major governmental fund:

*General Fund* – This fund is used to account for the accumulation and expenditure of resources that are used for general purposes of the Council and do not require the establishment of any other type of fund.

(d) **Budgeting**—The annual budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America. A tentative budget is adopted by the Board after appropriate public hearing of each year covering the proposed operations and requirements for the ensuing fiscal year. By September 30, the Board, after the appropriate public hearing, adopts the final budget. Budgetary control is maintained at the program level. The governing body may, at any time within a fiscal year or up to 60 days following the end of the fiscal year, amend a budget for that year by resolution.

(e) **Deposits and investments**—Cash and cash equivalents include cash on hand, demand deposits and short-term investments that are readily convertible to known amounts of cash. Investments with original maturities of three months or less are considered to be cash equivalents.

(f) **Receivables**—At September 30, 2017, there was no allowance for doubtful accounts since all receivables were deemed collectible by management.

(g) **Unearned revenue**—Unearned revenue represents membership fees collected in advance of the membership period and grants received before eligibility requirements are met.

(h) **Compensated absences**—The Council records the vested portion of accumulated unused compensated absences, if material, at year-end based on each employee's unused hours and rate of pay, including the Council's share of payroll taxes. All compensated absences are accrued when incurred in the government-wide financial statements as accrued liabilities. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements. Estimates have been utilized to determine the amount to report as the current portion.

(i) **Fund equity**—In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the Council is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Those classifications are as follows:

**IRL COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

(1) **Summary of Significant Accounting Policies:** (Continued)

*Nonspendable* – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash such as inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

*Restricted* – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation (i.e., when the government assesses, levies, charges, or otherwise mandates payment of resources from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

*Committed* – Fund balance amounts that can only be used for specific purposes pursuant to constraints imposed by ordinance of the Board of Directors are reported as committed fund balance. Those committed amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

*Assigned* – Fund balance amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as assigned fund balance, except for stabilization arrangements. The Board of Directors expressly delegates to the Executive Director authority under this policy to assign funds for particular purposes based on intent which can be expressed by (a) the Board of Directors itself or (b) a body (a budget or finance committee, for example) or official (Executive Director) to which the Board of Directors has delegated the authority to assign amounts to be used for specific purposes.

*Unassigned* – Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

For spendable resources, it is the Council's policy to use its resources in the following order as needed to fund expenses: restricted, committed, assigned, unassigned.

(j) **Deferred outflows and inflows of resources**—In addition to assets, the statement of financial position will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then. The Organization has one item, deferred outflows related to pensions, which qualify for reporting in this category. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows related to pensions are discussed further in Note (7).

**IRL COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

(1) **Summary of Significant Accounting Policies:** (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The Organization has one item, deferred inflows related to pensions in the government-wide statement of net position, which qualifies for reporting in this category. Deferred inflows related to pensions are discussed further in Note (7).

(k) **Use of estimates**—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) **Reconciliation of Government-Wide and Fund Financial Statements:**

(a) **Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**—Following the governmental fund balance sheet is a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. A detailed explanation of these differences is provided in this reconciliation.

(b) **Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**—Following the governmental fund statement of revenues, expenditures, and changes in fund balances, there is a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. A detailed explanation of these differences is provided in this reconciliation.

(3) **Deposits and Investments:**

At September 30, 2017, the book balance of deposits was \$2,108,175 and the bank balance was \$2,397,766. The Council's bank balances include insured deposits under the Federal Deposit Insurance Corporation and the remaining balances are collateralized pursuant to Chapter 280 of the *Florida Statutes*.

(4) **Risk Management:**

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. In order to limit its exposure to these risks, the Council is a participant in the Florida Municipal Insurance Trust for general and auto liability. The insurance program purchases excess and specific coverages from third party carriers. Participants in the program are billed annually for their portion of the cost of the program adjusted for actual experience during the period of coverage. Participants are not assessed for unanticipated losses incurred by the program. There have been no significant reductions in insurance coverage during fiscal year 2017. Settled claims resulting from the risks described above have not exceeded the insurance coverage for the past year.

**IRL COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

(5) **Compensated Absences:**

Upon beginning employment, regular and full-time employees and introductory employees working a full-time schedule will begin to earn paid time off (PTO) according to the schedule below. The amount of PTO accrued by employees throughout each year increases with the length of their employment as shown in the following schedule:

<u>Years of Eligible Service</u>	<u>PTO Hours Biweekly</u>	<u>PTO Hours Each Year</u>
Upon initial eligibility	7.38	192
After five years	8.31	216
After ten years	9.85	256
After twenty years	10.15	264

The “PTO Year” under this policy and accrual schedule will be based on an employee’s anniversary date. PTO is paid at the employee’s base pay rate at the time of the absence. It does not include overtime or any special forms of compensation such as incentives, commissions, bonuses, or shift differentials.

In the event that available PTO is not used by the end of an employee’s PTO Year employees may carry as many as 175 hours of unused time forward to the next PTO Year. Accumulation of hours may exceed 175 hours in a PTO Year; however, an employee may only carry 175 hours forward from one PTO Year to the next and all remaining PTO will be forfeited. Upon termination of employment, employees will be paid for unused PTO that has been earned through the last day of work.

A summary of changes in accrued compensated absences follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Compensated absences	\$ 17,409	\$ 29,367	\$ (21,183)	\$ 25,593	\$ 23,034
Governmental activities –					
Total long-term liabilities	<u>\$ 17,409</u>	<u>\$ 29,367</u>	<u>\$ (21,183)</u>	<u>\$ 25,593</u>	<u>\$ 23,034</u>

(6) **Commitments and Contingencies:**

During the ordinary course of its operations, the Council is party to various claims, legal actions and complaints. Some of these matters are covered by the Council insurance program. While the ultimate effect of any litigation cannot be ascertained at this time, management believes, based on the advice of legal counsel, that there will be no material effect on the Council’s financial position and/or that the Council has sufficient insurance coverage to cover any claims.

**IRL COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

(7) **Florida Retirement System:**

**Plan Description and Administration**

The Council participates in the Florida Retirement System (FRS), a multiple-employer, cost sharing defined public employee retirement system which covers all of the Council's full-time employees. The FRS is a defined benefit pension plan, administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the Council are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended September 30, 2017, eligible retirees and beneficiaries received 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 under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

**Benefits Provided and Employees Covered**

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of both Plans may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit.

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

**IRL COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

(7) **Florida Retirement System:** (Continued)

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

Employees may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular, DROP, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in the Investment Plan vest at one year of service.

**Financial Statements**

Financial statements and other supplementary information of the FRS are included in the State's Comprehensive Annual Financial Report, which is available from the Florida Department of Financial Services, Bureau of Financial Reporting Statewide Financial Reporting Section by mail at 200 E. Gaines Street, Tallahassee, Florida 32399-0364; by telephone at (850) 413-5511; or at the Department's Web site ([www.myfloridacfo.com](http://www.myfloridacfo.com)). An annual report on the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from:

Florida Department of Management Services  
Division of Retirement, Research and Education Services  
P.O. Box 9000  
Tallahassee, FL 32315-9000

**Contributions**

The Council participates in certain classes of FRS membership. Each class has descriptions and contribution rates in effect at September 30, 2017, as follows (contribution rates are in agreement with the actuarially determined rates):

<b>FRS Membership Plan &amp; Class</b>	<b>10/1/2016- 9/30/2017 Employee Contribution Rate</b>	<b>10/1/2016 – 6/30/2017 Employer Contribution Rate</b>	<b>7/1/2017 – 9/30/2017 Employer Contribution Rate</b>
Regular Class	3.00%	7.52%	7.92%
Senior Management	3.00%	21..77%	22.71%

Current-year employer HIS contributions were made at a rate of 1.66% of covered payroll and are included in the above employer rates.

**IRL COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

(7) **Florida Retirement System:** (Continued)

The Council and employee contributions to FRS and HIS for the plan year ended June 30, 2017, are as follows:

Organization Contributions – FRS	\$	13,139
Organization Contributions – HIS		3,985
Employee Contributions – FRS		7,201

**Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions**

At September 30, 2017, the Council reported a liability of \$229,794 for its proportionate share of the net pension liability, \$149,286 related to FRS and \$80,508 to 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 that date. The Council’s proportion of the net pension liability was based on a projection of the Council’s long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, as actuarially determined. At June 30, 2017, the Council’s FRS and HIS proportion was 0.000504697% and 0.000752943%, respectively. For the year ended September 30, 2017, the Council’s recognized pension expense of \$36,589 from FRS and \$16,167 from HIS, for a grand total of \$52,756.

*Deferred outflows/inflows related to pensions:*

At September 30, 2017, the Council reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,701	\$ (827)	\$ -	\$ (168)
Changes of assumptions	50,171	-	11,317	(6,962)
Net different between projected and actual investment earnings	-	(3,700)	45	-
Change in Council’s proportionate share	58,352	-	57,055	-
Contributions subsequent to measurement date	6,745	-	1,073	-
	\$ 128,969	\$ (4,527)	\$ 69,490	\$ (7,130)

The above amounts for deferred outflows of resources for contributions related to pensions resulting from Council contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2017.

**IRL COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

(7) **Florida Retirement System:** (Continued)

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions being amortized for a period of greater than one year will be recognized in pension expense in succeeding years as follows:

2018	\$	30,833
2019		43,667
2020		37,470
2021		25,689
2022		29,127
Thereafter		12,198
Total	\$	<u>178,984</u>

*Actuarial assumptions:*

The actuarial assumptions for both defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS has a valuation performed annually. The 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 was completed in 2014 for the period July 1, 2008, through June 30, 2013. Because HIS is funded on a pay-as-you-go basis, no experience study has been completed.

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation, using 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 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 HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.58% was used to determine the total pension for the program. This rate increased from the prior year rate, which was 2.85%. Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB tables.

*Long-term expected rate of return:*

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2017, the FRS Actuarial Assumptions conference reviewed long-term assumptions developed by both Milliman's capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which consults to the Florida State Board of Administration. The following table shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

**IRL COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

(7) **Florida Retirement System:** (Continued)

Asset Class	Target Allocation	Long-Term Arithmetic Expected Rate of Return
Cash	1.0%	3.0%
Fixed income	18.0%	4.5%
Global equities	53.0%	7.8%
Real estate	10.0%	6.6%
Private equity	6.0%	11.5%
Strategic investments	12.0%	6.1%
Total	100.0%	

*Sensitivity of the net pension liability to changes in the discount rate:*

The following presents the proportionate shares of the FRS and HIS net pension liability of the Council calculated using the current discount rates, as well as what the Council's net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

Plan	Current Discount Rate	NPL with 1% Decrease	NPL at Current Discount Rate	NPL with 1% Increase
FRS	7.10%	\$ 270,199	\$ 149,286	\$ 48,901
HIS	2.85%	91,870	80,508	71,044

(8) **Recent Accounting Pronouncements:**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for fiscal years subsequent to September 30, 2017, that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the Council's financial statements:

GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in June 2015, which establishes standards for recognizing and measuring liabilities, deferred outflows or resources, deferred inflows of resources, and expense/expenditures. GASB 75 seeks to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions. The provisions in GASB 75 are effective for fiscal years beginning after June 15, 2017.

GASB issued Statement No. 87, *Leases*, in June 2017. GASB 87 aims to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The provisions in GASB 87 are effective for periods beginning after December 15, 2019.

**IRL COUNCIL**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY – FRS/HIS**  
**SEPTEMBER 30, 2017**  
**(UNAUDITED)**

	<u>2017</u>	<u>2016</u>
<b>Florida Retirement System (FRS)</b>		
Proportion of the net pension liability (NPL)	0.000504697%	0.000225310%
Proportionate share of the NPL	\$ 149,286	\$ 56,891
Covered-employee payroll	240,048	123,487
Proportionate share of the NPL as percentage of covered-employee payroll	62.19%	46.07%
Plan fiduciary net position as a percentage of the NPL	83.89%	84.88%
<b>Health Insurance Subsidy Program (HIS)</b>		
Proportion of the net pension liability (NPL)	0.000752943%	0.000399927%
Proportionate share of the NPL	\$ 80,508	\$ 46,610
Covered-employee payroll	240,048	123,487
Proportionate share of the NPL as percentage of covered-employee payroll	33.54%	37.74%
Plan fiduciary net position as a percentage of the NPL	1.64%	0.97%

**IRL COUNCIL**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CONTRIBUTIONS – FRS/HIS**  
**SEPTEMBER 30, 2017**  
**(UNAUDITED)**

For the Plan Year ended June 30,	<u>2017</u>	<u>2016</u>
<b>Florida Retirement System (FRS)</b>		
Contractually required contribution	\$ 13,139	\$ 5,495
Contributions in relation to contractually required contribution	<u>13,139</u>	<u>5,495</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 240,048	\$ 123,487
Contributions as percentage of covered-employee payroll	5.47%	4.45%
<b>Health Insurance Subsidy Program (HIS)</b>		
Contractually required contribution	\$ 3,985	\$ 2,050
Contributions in relation to contractually required contribution	<u>3,985</u>	<u>2,050</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 240,048	\$ 123,487
Contributions as percentage of covered-employee payroll	1.66%	1.66%

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

To the Board of Directors,  
IRL Council:

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

***Internal Control over Financial Reporting***

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

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

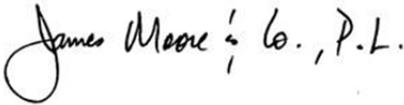
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and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

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Daytona Beach, Florida  
June 25, 2018

**MANAGEMENT LETTER OF INDEPENDENT AUDITORS’  
REQUIRED BY CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

To the Board of Directors,  
IRL Council:

**Report on the Financial Statements**

We have audited the financial statements of the IRL Council (the Council), as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated June 25, 2018.

**Auditors’ Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Chapter 10.550, Rules of the Florida Auditor General.

**Other Reporting Requirements**

We have issued our Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent 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 June 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 financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.

**Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Council was established by an interlocal agreement February 19, 2015, pursuant to the authority of Section 163.01, *Florida Statutes*. There are no component units related to the Council as of September 30, 2017.

## **Financial Condition and Management**

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Council 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 the Council 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 Council. It is management's responsibility to monitor the Council'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 have any such recommendations.

## **Annual Financial Report**

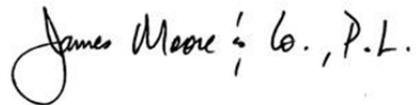
Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the annual financial report for the Council for the fiscal year ended September 30, 2017, filed with the Florida Department of 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 which 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 Directors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large, looped initial 'J'.

Daytona Beach, Florida  
June 25, 2018

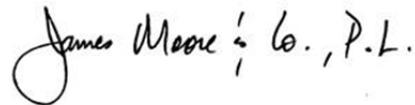
## INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

To the Board of Directors,  
IRL Council:

We have examined the IRL Council's (the Council) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2017. Management is responsible for the Council's compliance with those requirements. Our responsibility is to express an opinion on the Council's compliance 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 Council is in compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, in all material respects. An examination involves performing procedures to obtain evidence about the Council's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material misstatement with compliance with *Local Government Investment Policies*, 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.

In our opinion, the IRL Council complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.



Daytona Beach, Florida  
June 25, 2018

June 25, 2018

To the Board of Directors of  
IRL Council:

We have audited the financial statements of the IRL Council (the Council) as of and for the year ended September 30, 2017, and have issued our report thereon dated June 25, 2018. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated December 20, 2016, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes considered of internal control over financial reporting as a basis of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Council solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting and material noncompliance, and other matters noted during our audit in a separate letter to you dated June 25, 2018.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm and our network firms have complied with all relevant ethical requirements regarding independence. We have applied safeguards related to our preparation of the Council's financial statements, including, but not limited to, an assessment of management's skills, knowledge, and experience.

121 Executive Circle  
Daytona Beach, FL 32114-1180  
Telephone: 386-257-4100

133 East Indiana Avenue  
DeLand, FL 32724-4329  
Telephone: 386-738-3300

5931 NW 1st Place  
Gainesville, FL 32607-2063  
Telephone: 352-378-1331

2477 Tim Gamble Place, Suite 200  
Tallahassee, FL 32308-4386  
Telephone: 850-386-6184

## **Qualitative Aspects of the Entity's Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the IRL Council is included in Note 1 to the financial statements. There has been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2017. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. There are no such estimates affecting the financial statements at September 30, 2017.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The disclosures meeting this criteria are listed below:

- Note 7 – Florida Retirement System
- Note 8 – Recent Accounting Pronouncements

## **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

## **Uncorrected and Corrected Misstatements**

For the purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards required us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. No such uncorrected misstatements were noted.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. No such corrected misstatements were noted.

## **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the financial statements or the auditors' report. No such disagreements arose during the course of our audit.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached management representation letter, dated June 25, 2018.

### **Management Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the IRL Council, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as auditors.

### **Other Information in Documents Containing Audited Financial Statements**

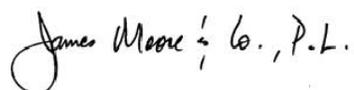
Pursuant to professional standards, our responsibility as auditors for other information in documents containing IRL Council's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards:

We have made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the required supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the Board of Directors and management of IRL Council and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



JAMES MOORE & CO., P.L.

**RESOLUTION NO. 2018-03**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
IRL COUNCIL AMENDING THE BUDGET FOR THE 2017-18  
FISCAL YEAR**

**WHEREAS**, the IRL Council was created via Interlocal Agreement to carry out the goals of the Indian River Lagoon National Estuary Program;

**WHEREAS**, the IRL Council previously adopted a Budget for the 2017-18 Fiscal Year on April 14, 2017;

**WHEREAS**, the IRL Council finds it necessary and essential to amend the Budget for the 2017-18 Fiscal Year as set forth in this Resolution;

**WHEREAS**, adoption of the 2017-18 Fiscal Year budget amendments set forth in this Resolution serves a valid public purpose.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE IRL COUNCIL, THAT:**

**Section 1.** The above recitals are ratified and incorporated into this Resolution.

**Section 2.** The funds and available resources and revenues that are set out in Exhibit "A" and incorporated herein by reference, are appropriated to provide the monies to be used to pay the necessary operating and other expenses of the IRL Council.

**Section 3.** Except as amended in Exhibit "A" the remainder of the Budget for the 2017-18 Fiscal Year remains in full force and effect.

**Section 4.** This Resolution shall become effective immediately upon passage.

DONE at \_\_\_\_\_, Florida, this \_\_\_\_ day of \_\_\_\_\_,  
2018.

**IRL COUNCIL**

By:

\_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Secretary

Approved as to legal form and  
sufficiency:

\_\_\_\_\_  
Carolyn S. Ansay  
Legal Counsel

**FY 2017-2018 Amended Budget****Approved  
Pending****Revenues:**

Federal	<b>\$677,050</b>
IRL License Plate	<b>\$125,000</b>
Membership Contributions	<b><u>\$1,500,000</u></b>

**Total Revenues** **\$2,302,050****Expenditures:**

Other Expenditures	<b>\$3,288,528</b>
IRL Council Strategic Program, IRLNEP 17-18 Work Plan, Unencumbered Available for Projects, Emergency Reserve, Prior FY Projects	
Salaries & Benefits	<b>\$350,000</b>
Facilities Expenses	<b>\$40,000</b>
Rent, Capital Outlay, Equipment Maintenance, Communications	
Administrative Costs	<b>\$48,000</b>
Postage, Office Supplies, Insurance, Printing, Travel, Publications, Subscriptions, Dues	
Administrative Services	<b>\$100,000</b>
Legal, Accounting/Auditing, Personnel Services, IT Services	

**Total Expenditures** **\$3,826,528****Agency Balance** **\$76,676****Fund Balance-Beginning of Year** **\$1,601,154****Fund Balance-End of Year** **\$0**

FY 2017-2018 Amended Budget		Approved 8/11/2017	FY 2017-2018 Amended Budget		Approved Pending	Higher (Lower)
<b>Revenues:</b>			<b>Revenues:</b>			
	Federal	\$677,050		Federal	\$677,050	
	IRL License Plate	\$125,000		IRL License Plate	\$125,000	
	Membership Contributions	\$1,500,000		Membership Contributions	\$1,500,000	(Notes)
<b>Total Revenues</b>		<b>\$2,302,050</b>	<b>Total Revenues</b>		<b>\$2,302,050</b>	
<b>Expenditures:</b>			<b>Expenditures:</b>			
Other Expenditures		\$1,938,065	Other Expenditures		\$3,288,528	\$1,350,463 (1)
	IRL Council Strategic Program, IRLNEP 17-18 Work Plan, Unencumbered Available for Projects, Unplanned Contingency Reserve			IRL Council Strategic Program, IRLNEP 17-18 Work Plan, Unencumbered Available for Projects, Unplanned Contingency Reserve, Prior FYs		
Salaries & Benefits		\$350,000	Salaries & Benefits		\$350,000	
Facilities Expenses		\$20,000	Facilities Expenses		\$40,000	\$20,000 (2)
	Rent, Capital Outlay, Equipment Maintenance, Communications			Rent, Capital Outlay, Equipment Maintenance, Communications		
Administrative Costs		\$30,000	Administrative Costs		\$48,000	\$18,000 (3)
	Postage, Office Supplies, Insurance, Printing, Travel, Publications, Subscriptions, Dues			Postage, Office Supplies, Insurance, Printing, Travel, Publications, Subscriptions, Dues		
Administrative Services		\$110,000	Administrative Services		\$100,000	\$10,000 (4)
	Legal, Accounting/Auditing, Personnel Services, IT Services			Legal, Accounting/Auditing, Personnel Services, IT Services		
<b>Total Expenditures</b>		<b>\$2,448,065</b>	<b>Total Expenditures</b>		<b>\$3,826,528</b>	<b>\$1,378,463 (5)</b>
<b>Agency Balance</b>		<b>0</b>	<b>Agency Balance</b>		<b>\$76,676</b>	<b>\$76,676 (6)</b>
<b>Fund Balance-Beginning of Year</b>		<b>\$146,015</b>	<b>Fund Balance-Beginning of Year</b>		<b>\$1,601,154</b>	<b>\$1,455,139 (7)</b>
<b>Fund Balance-End of Year</b>		<b>\$0</b>	<b>Fund Balance-End of Year</b>		<b>\$0</b>	

## FY2017-2018 Budget Amendment Detail (Notes)

### (1) Increase "Other Expenditures" from \$1,938,065 to \$3,288,528

#### EPA

- \$16,596 Marine Resources Council: IRL Health Assessment
- \$19,454 Marine Discovery Center: Project H2O Phase II
- \$15,197 Pelican Island Audubon Society: Creating New More Diverse IRL Advocates
- \$30,635 Environmental Learning Center: Living for the Lagoon HOA Education
- \$12,000 City of Titusville: Developing a Living Shorelines Outreach Program
- \$34,750 FAU/Harbor Branch Oceanographic: Modeling Ecosystem Dynamics in IRL
- \$4,015 Smithsonian: Bivalves at Work
- \$100,000 Martin County: Manatee Creek Technology Assessment
- \$12,375 Brevard Zoo: Restore Our Shores
- \$32,000 Brevard County: Channel Denitrification Treatment
- \$24,000 City of Sebastian: Oyster Restoration Project
- \$8,345 Marine Resources Council: Be Floridian in the IRL

#### IRL LICENSE PLATE

- \$1,643 Marine Discovery Center: Shuck n Share Oyster Restoration Project
- \$40,422 Florida Department of Environmental Protection: IRL Shoreline Restoration

#### CANAVERAL PORT AUTHORITY

- \$45,114 University of Florida: IRL Citizen Survey
- \$25,000 IRLNEP: IRL Education Program(s)

#### IRL MEMBER CONTRIBUTIONS

- \$25,029 IDEAS: IRLNEP Branding and Website Services
- \$125,000 City of Port St. Lucie: Veterans Memorial Stormwater Retrofit
- \$25,000 St. Lucie County: Indian Hills Habitat Restoration
- \$200,000 St. Lucie County: San Lucie Drainage Improvements Phase 2
- \$100,000 Martin County: Savannas Regional Restoration Project
- \$100,000 City of Sebastian: Septic to Sewer Project
- \$122,000 City of Vero Beach: Vero Isles Permeable Pavement Inlet Retrofit
- \$99,877 Brevard County: Shoreline Habitat Restoration and Management Plan
- \$68,862 City of Edgewater: Boston Road Stormwater Improvements
- \$1,043 Florida Department of Environmental Protection: Paul's Island Restoration
- \$62,106 St. Lucie County: Paradise Park Stormwater Project

### (2) Increase "Facilities Expenses" from \$20,000 to \$40,000

- \$20,000 Capital Purchase/Truck (Purchase Order 2017-005: \$23,208)

### (3) Increase "Administrative Costs" from \$30,000 to \$48,000

- \$4,500 Dues: Association of National Estuary Programs
- \$9,700 Printing: IRL Calendar
- \$3,800 Printing: Annual Reports

**(4) Decrease "Administrative Services" from \$110,000 to \$100,000**

- \$10,000 Estimated savings to end of fiscal year

**(5) Increase "Total Expenditures" from \$2,448,065 to \$3,826,528**

- \$1,350,463 Increase of "Other Expenditures"
- \$20,000 Increase of "Facilities Expenses"
- \$18,000 Increase of "Administrative Costs"
- \$10,000 Decrease of "Administrative Services"

**(6) Increase "Agency Balance" from \$0 to \$76,676**

- \$76,676 Unrestricted/unallocated carryover from audited FY16-17 fiscal year

**(7) Increase "Fund Balance-Beginning of Year" from \$146,015 to \$1,601,154**

- \$1,601,154 Audited FY16-17 "Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds"

**RESOLUTION NO. 2018-04**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
IRL COUNCIL AMENDING THE BUDGET FOR THE 2018-19  
FISCAL YEAR**

**WHEREAS**, the IRL Council was created via Interlocal Agreement to carry out the goals of the Indian River Lagoon National Estuary Program;

**WHEREAS**, the IRL Council previously adopted a Budget for the 2018-19 Fiscal Year on April 13, 2018;

**WHEREAS**, the IRL Council finds it necessary and essential to amend the Budget for the 2018-19 Fiscal Year as set forth in this Resolution;

**WHEREAS**, adoption of the 2018-19 Fiscal Year budget amendments set forth in this Resolution serves a valid public purpose.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE IRL COUNCIL, THAT:**

**Section 1.** The above recitals are ratified and incorporated into this Resolution.

**Section 2.** The funds and available resources and revenues that are set out in Exhibit "A" and incorporated herein by reference, are appropriated to provide the monies to be used to pay the necessary operating and other expenses of the IRL Council.

**Section 3.** Except as amended in Exhibit "A" the remainder of the Budget for the 2017-18 Fiscal Year remains in full force and effect.

**Section 4.** This Resolution shall become effective immediately upon passage.

DONE at \_\_\_\_\_, Florida, this \_\_\_\_ day of \_\_\_\_\_,  
2018.

**IRL COUNCIL**

By:

\_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Secretary

Approved as to legal form and  
sufficiency:

\_\_\_\_\_  
Carolyn S. Ansay  
Legal Counsel

## FY 2018-2019 Amended Budget

### Revenues:

	Federal	\$600,000
	IRL License Plate	\$125,000
	Membership Contributions	<u>\$1,500,000</u>
<b>Total Revenues</b>		<b>\$2,225,000</b>

### Expenditures:

Other Expenditures	\$1,949,091
IRL Council FY18-19 Business Plan, IRLNEP FY18-19 Work Plan, Unplanned Contingency Reserve	
Salaries & Benefits	\$350,000
Facilities Expenses	\$20,000
Rent, Capital Outlay, Equipment Maintenance, Communications	
Administrative Costs	\$30,000
Postage, Office Supplies, Insurance, Printing, Travel, Publications, Subscriptions, Dues	
Administrative Services	\$98,600
Legal, Auditing, Accounting, Personnel Services, IT Services	
<b>Total Expenditures</b>	<u><b>\$2,447,691</b></u>
<b>Agency Balance</b>	<b>\$76,676</b>
<b>Fund Balance-Beginning of Year</b>	<u><b>\$146,015</b></u>
<b>Fund Balance-End of Year</b>	<u><u><b>\$0</b></u></u>

FY 2018-2019 Budget		Approved 4/13/2018	FY 2018-2019 Amended Budget		Approved Pending	Higher (Lower)
<b>Revenues:</b>			<b>Revenues:</b>			
	Federal	\$600,000		Federal	\$600,000	
	IRL License Plate	\$125,000		IRL License Plate	\$125,000	
	Membership Contributions	\$1,500,000		Membership Contributions	\$1,500,000	(Notes)
<b>Total Revenues</b>		<b>\$2,225,000</b>	<b>Total Revenues</b>		<b>\$2,225,000</b>	
<b>Expenditures:</b>			<b>Expenditures:</b>			
Other Expenditures		\$1,872,415	Other Expenditures		\$1,949,091	\$76,676 (1)
	IRL Council Strategic Program, IRLNEP 18-19 Work Plan, Unencumbered Available for Projects, Unplanned Contingency Reserve			IRL Council Strategic Program, IRLNEP 18-19 Work Plan, Unencumbered Available for Projects, Unplanned Contingency Reserve		
Salaries & Benefits		\$350,000	Salaries & Benefits		\$350,000	
Facilities Expenses		\$20,000	Facilities Expenses		\$20,000	
	Rent, Capital Outlay, Equipment Maintenance, Communications			Rent, Capital Outlay, Equipment Maintenance, Communications		
Administrative Costs		\$30,000	Administrative Costs		\$30,000	
	Postage, Office Supplies, Insurance, Printing, Travel, Publications, Subscriptions, Dues			Postage, Office Supplies, Insurance, Printing, Travel, Publications, Subscriptions, Dues		
Administrative Services		\$98,600	Administrative Services		\$98,600	
	Legal, Accounting/Auditing, Personnel Services, IT Services			Legal, Accounting/Auditing, Personnel Services, IT Services		
<b>Total Expenditures</b>		<b>\$2,371,015</b>	<b>Total Expenditures</b>		<b>\$2,447,691</b>	<b>\$76,676 (2)</b>
<b>Agency Balance</b>		<b>0</b>	<b>Agency Balance</b>		<b>\$76,676</b>	<b>\$76,676 (3)</b>
<b>Fund Balance-Beginning of Year</b>		<b>\$146,015</b>	<b>Fund Balance-Beginning of Year</b>		<b>\$146,015</b>	
<b>Fund Balance-End of Year</b>		<b>\$0</b>	<b>Fund Balance-End of Year</b>		<b>\$0</b>	

## **FY2017-2018 Budget Amendment Detail (Notes)**

**(1) Increase “Other Expenditures” from \$1,872,415 to \$1,949,091**

IRL MEMBER CONTRIBUTIONS

- \$50,000 Marine Discovery Center: Shuck and Share Oyster Recycling Program FY18-19
- \$26,676 City of Fellsmere: Micro-Basin Treatment Phase 1 (\$23,324 funding from contingency reserve/total project funding of \$50,000)

**(2) Increase “Total Expenditures” from \$2,371,015 to \$2,447,691**

- \$76,676 Increase of “Other Expenditures”

**(3) Increase “Agency Balance” from \$0 to \$76,676**

- \$76,676 Unrestricted/unallocated carryover from audited FY16-17 fiscal year