



VALENCIA WATER CONTROL DISTRICT

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VWCD BACKGROUND

AUTHORITY

Valencia Water Control District (originally Valencia Drainage District) was formed in 1970 under Chapters 298 and 72-291 of Florida Statute. A decree incorporating the Drainage District was issued by the Circuit Court of Orange County in May of 1970.

PURPOSE

The District's Plan of Reclamation (also known as Water Management Plan) calls for a controlled storm run-off that will prevent erosion and flooding, minimize water pollution, and maintain groundwater tables for the benefit of the landowners. In order to achieve these goals, several miles of canals, bridges, control structures and other appurtenances have been constructed. The District will accept retention/detention ponds for maintenance in residential areas when constructed to District standards.

In 1972, the Board of Supervisors approved a bond issue in the amount of \$3.5 million in order to construct the Plan of Reclamation. The bonds were retired on January 15, 1997.

RESPONSIBILITIES

The District is required to prepare an annual budget and establish a unit tax that will provide for the administration of the District affairs, and maintain existing facilities. The individual lot holder is assessed at the same rate as the landholder owning one acre of land. The tax is collected by the Orange County Tax Collector and is shown separately on the annual tax bills.

The District issues irrigation permits to homeowners requesting access to District waters for the purpose of yard sprinkling, issues construction permits for all development within the District, and monitors for compliance with permit conditions.

The District cooperates with developers, the state, and local agencies having common interests and jurisdiction. The District administers the election of the Board of Supervisors in June. Proxy ballots are mailed to all property owners of record and the ballots are tabulated in the District office.

More special district information is available from the [Florida Department of Community Affairs](#)

Financial Reports are available from the [Florida Department of Financial Services](#)

James T. Show, Director
Valencia Water Control District
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V.W.C.D. - GENERAL FUND

2016-17 BUDGET
(10/1/16 through 9/30/17)

	2014-15 ADOPTED BUDGET	2015-16 ADOPTED BUDGET	2016-17 ADOPTED BUDGET
Expenditures:			
Current:			
General Government:			
Supervisor Compensation	\$3,000	\$3,000	\$2,500
Employee Salaries	\$66,000	\$54,000	\$54,000
Other Salaries / Wages	\$0	\$0	\$0
FICA Taxes	\$4,100	\$4,131	\$4,100
Worker's Compensation	\$1,000	\$1,000	\$1,000
Unemployment Comp (FUTA/SUTA)	\$700	\$319	\$319
Professional Services	\$64,700	\$81,700	\$82,700
Accounting & Auditing	\$4,900	\$4,900	\$4,900
Other Contractual Services	\$189,000	\$191,981	\$197,100
Travel & Per Diem	\$200	\$200	\$200
Rental & Leases	\$14,500	\$12,660	\$12,660
Utility Services	\$1,500	\$1,500	\$1,000
Communications & Freight	\$1,700	\$3,300	\$2,800
Insurance	\$14,000	\$12,000	\$14,000
Repair & Maintenance Service	\$65,400	\$71,600	\$67,500
Printing & Binding	\$200	\$200	\$500
Other Current Charges	\$14,107	\$17,107	\$13,908
Office Supplies	\$1,000	\$1,000	\$1,000
Operating Supplies	\$1,500	\$1,500	\$1,000
Pubs, Subscrips. & Memberships	\$1,500	\$1,500	\$2,500
Contingency Fund	\$1,000	\$500	\$400
 TOTAL EXPENDITURES	 \$450,007	 \$464,098	 \$464,087

SUBSIDIARY SCHEDULE
(10/1/16 through 9/30/17)

	2014-15 ADOPTED BUDGET	2015-16 ADOPTED BUDGET	2016-17 ADOPTED BUDGET
Regular Salaries / Wages			
District Director	\$66,000	\$54,000	\$54,000
Office Manager	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Sub-Total	\$66,000	\$54,000	\$54,000
Professional Services			
Engineering Services	\$25,200	\$25,200	\$25,200
Legal Services	\$12,000	\$12,000	\$12,000
Maint. Property Records	\$0	\$0	\$0
Management Services	\$27,500	\$30,000	\$31,000
Report Preparation - NPDES	<u>\$0</u>	<u>\$14,500</u>	<u>\$14,500</u>
Sub-Total	\$64,700	\$81,700	\$82,700
Accounting & Auditing			
Accounting	\$0	\$0	\$0
Auditing	<u>\$4,900</u>	<u>\$4,900</u>	<u>\$4,900</u>
Sub-Total	\$4,900	\$4,900	\$4,900
Other Contractual Services			
Aquatic Weed Control	30,000	30,000	33,000
Canal & Retention Pond Maintenance	50,000	60,100	60,100
Mowing	80,000	80,000	80,000
Water Quality Monitoring	27,000	20,000	22,000
Janitorial	<u>2,000</u>	<u>1,881</u>	<u>2,000</u>
Sub-Total	\$189,000	\$191,981	\$197,100

VALENCIA WATER CONTROL DISTRICT
FINANCIAL STATEMENTS
FOR THE YEAR ENDING SEPTEMBER 30, 2015

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CARLILE AND HUNTER, LLC

Certified Public Accountants

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Independent Auditor's Report

Board of Supervisors
Valencia Water Control District
Orlando, Florida

REPORT ON THE FINANCIAL STATEMENTS

We have audited the general-purpose financial statements of the governmental activities, the business type activities, and each major fund of the Valencia Water Control District, (the District), as of and for the year ended September 30, 2015 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and 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, the business-type activities, and each major fund of the District, as of September 30, 2015, 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, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statement 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 statement, 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 a report dated January 18, 2016 on our consideration of the District's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Carlile and Hunter, LLC

Winter Park, Florida
January 18, 2016

VALENCIA WATER CONTROL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2015

HISTORY

The Valencia Water Control District is an independent water control district formed in 1970. The District contains approximately 5000 acres within its boundaries. It is located in southern Orange County and includes Sea World, the Williamsburg residential development, many hotels, and timeshare developments.

In February of 1972, the Board of Supervisors approved a bond issue for \$3.5 million in order to construct the Plan of Reclamation (also known as the Water Management Plan). The bonds sold at an average interest rate of 6% and were retired in 1997. The District's Plan of Reclamation calls for controlled storm water run-off that will minimize water pollution and maintain groundwater tables for the benefit of the landowners. In order to achieve these goals, several miles of canals, bridges, control structures, and other appurtenances have been constructed.

LEGISLATIVE AUTHORITY

The District operates under the authority of Chapters 298 and 72-291 of the Florida Statutes. A decree incorporating the Drainage District was issued by the Circuit Court of Orange County in May of 1970.

The District is administered by a five member Board of Supervisors. These five supervisors are each elected to a five-year term. Their length of service is staggered so that one supervisor is elected or re-elected by the landowners at the Annual Landowners Meeting held in June each year.

FUNDING

As an independent district, the Board of Supervisors adopts an annual budget for each fiscal year and establishes a unit non-ad valorem tax that will provide for the administration of the District's affairs, and maintaining existing facilities. Because of the additional run-off in developed areas, the individual lot owner is assessed at the same rate as the landowner owning an acre of undeveloped land. The non-ad valorem tax is collected for the District by Orange County and is indicated separately on property tax bills.

BASIC FINANCIAL STATEMENTS: THIS AND PAST FISCAL YEARS

The most recent fiscal year ended September 30, 2015, concluded with operations within the approved budget limitations; similar to the performance from the previous year.

ASSETS

As of September 30, 2015, the District's total assets include cash, investments, property and equipment and other assets. Total assets increased from \$1,205,460 in 2014 to \$1,207,800 in 2015, due to reduced operating expenses in 2015.

VALENCIA WATER CONTROL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2015

LIABILITIES

As of September 30, 2015, total liabilities of \$22,674 include wages and payroll taxes of \$32 and unpaid invoices of \$22,642. These totals are higher than the totals as of September 30, 2014 due to a large payable at the end of the current year.

REVENUES

Operating revenues increased \$9,997 in the fiscal year ended September 30, 2015 or 2.29%. Over 99% of operating revenues are from assessments to property owners.

EXPENSES

Expenses excluding depreciation decreased by \$69,652 in the fiscal year ended September 30, 2015 primarily due to lower property maintenance expenses in the current fiscal year.

OVERALL FINANCIAL POSITION

The Districts net unrestricted assets at September 30, 2015 were \$414,265. The overall financial position of the District is good. No significant change is anticipated.

VALENCIA WATER CONTROL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUND
SEPTEMBER 30, 2015

ASSETS

Current assets		
Cash and cash equivalents	\$	169,246
Certificates of deposit		250,167
Prepaid expenses and accounts receivable		<u>17,526</u>
Total current assets		436,939
Property and equipment, at cost (Note 3)	5,503,719	
less accumulated depreciation	<u>(4,732,858)</u>	<u>770,861</u>
Total assets	\$	<u><u>1,207,800</u></u>

LIABILITIES

Current liabilities		
Accounts payable	\$	<u>22,642</u>
Total current liabilities		<u>22,642</u>

NET ASSETS

Net assets:		
Invested in capital assets		770,861
Unrestricted net assets		<u>414,265</u>
		<u>1,185,126</u>
Total net assets	\$	<u><u>1,207,768</u></u>

See accompanying notes to financial statements

VALENCIA WATER CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Actual	Budget
Operating revenues		
Tax assessments	\$ 445,550	\$ 450,007
Miscellaneous	1,555	-
Total operating revenues	447,105	450,007
Operating and maintenance expenses		
Salaries and benefits	68,129	74,800
Property maintenance	286,756	305,500
Depreciation expense	8,737	-
Other expenses	69,398	69,707
Total operating and maintenance expenses	433,020	450,007
Operating gain	14,085	-
Non-operating revenues		
Interest income	1,135	-
Total non-operating revenues	1,135	-
Change in total net assets (see note 7)	15,220	\$ <u><u>-</u></u>
Net assets, October 1, 2014	1,169,906	
Net assets, September 30, 2015	\$ 1,185,126	

See accompanying notes to financial statements

VALENCIA WATER CONTROL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Cash flows from operating activities:	
Cash received from tax assessments	\$ 443,673
Cash paid to suppliers for goods and services	(374,473)
Cash paid to employees for services	<u>(73,094)</u>
Net cash required by operating activities	<u>(3,894)</u>
Cash flows from investing activities:	
Interest on investments	<u>1,135</u>
Net cash provided by investing activities	<u>1,135</u>
Decrease in cash and cash equivalents	(2,759)
Cash and cash equivalents, beginning of year	<u>422,172</u>
Cash and cash equivalents, end of year	<u>\$ 419,413</u>
Reconciliation of operating loss to net cash required	
by operating activities:	
Operating gain	\$ 14,085
Adjustments to reconcile changes in net operating	
assets to net cash required by operating activities:	
Depreciation	8,737
Increase in prepaid expenses	(10,404)
Increase in receivables	(3,432)
Decrease in accounts payable	(7,915)
Decrease in accrued liabilities	<u>(4,965)</u>
Net cash required by operating activities	<u>\$ (3,894)</u>

See accompanying notes to financial statements

VALENCIA WATER CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in accordance with generally accepted accounting principles as applied to governmental units. The more significant of these accounting policies are described below.

REPORTING ENTITY

In 1970, the Valencia Water Control District was formed under Chapter 298, Florida Statutes, as an independent district, to construct and maintain drainage, water conservation and flood control facilities. The District has no component units.

The District is governed by an elected Board of Supervisors, which consists of five members who hold office for five years, and each of whom must be a landowner within the District. Each year at the annual meeting of the landowners within the District, one supervisor is elected or re-elected.

BASIS OF PRESENTATION

The District uses the proprietary basis of presentation for its financial statements. The focus of proprietary fund measurement is upon determination of net income, financial position, and cash flows. The generally accepted accounting principles are those applicable to similar businesses in the private sector. These funds are maintained on the accrual basis of accounting. The following is a description of the sole proprietary fund of the District.

Enterprise Fund - The Valencia Water Control District operates as an enterprise fund that accounts for the construction, operation and maintenance of the District. This fund is used to account for the acquisition, operation and maintenance of District facilities and services that are entirely or predominantly self-supported by user fees. The operations of enterprise funds are accounted for in such a manner as to show a profit or loss similar to comparable private enterprises.

BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Proprietary funds are accounted for using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when incurred.

Operating activities are those that are the direct result from the provision of services to customers and are directly related to the principal activities of the District.

BUDGETARY DATA

The budget is prepared on an accrual basis of accounting, which is consistent with generally accepted accounting principles. All appropriations, which are not expensed or committed lapse at year end. Actual results of operations presented in accordance with generally accepted accounting principles (GAAP basis) and the District's accounting policies do not recognize encumbrances as

VALENCIA WATER CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

expenditures until the period in which the actual goods or services are received and a liability is incurred. It is necessary to include budgetary encumbrances to reflect actual revenues and expenditures on a basis consistent with the District's legally adopted budget.

DEPOSITS AND INVESTMENTS

For purposes of the statement of cash flows, the District considers all unrestricted cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

The District has elected to proceed under the Alternative Investment Guidelines as set forth in Section 218.415(17) Florida Statutes. The District may invest any surplus public funds in the following:

- a) The Local Government Surplus Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act;
- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
- c) Interest bearing time deposits or savings accounts in qualified public depositories;
- d) Direct obligations of the U.S. Treasury.

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due. The District records all interest revenue related to investment activities and reports investments at fair value.

The District's deposit policy allows deposits to be held in demand deposit or money market accounts. All District depositories are banks or savings institutions designated as qualified depositories by the State Treasurer.

PROPERTY AND EQUIPMENT

Land, buildings, improvements and equipment are valued at historical cost or at a fair market value for those assets contributed.

Depreciation of the District's exhaustible fixed assets is charged as an expense against their operations and is closed to net assets. Accumulated depreciation is reported on the District's statement of net assets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	25 years
Improvements other than buildings	5-25 years
Equipment	5-7 years

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized. The District has capitalized its costs of those items, which it has caused to be constructed within its plan of reclamation.

VALENCIA WATER CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

RISK OF LOSS

The District mitigates its risk of loss through comprehensive liability and property insurance at levels recommended by the State of Florida.

2. INVESTMENTS

The District's investments are Certificates of Deposit with MorganStanley/SmithBarney and are entirely insured, with maturities of one year or less. During the year ended September 30, 2015, the District did not have any reverse purchase agreements. In compliance with District investment policies, the District holds all investments in certificates of deposit as of September 30, 2015.

3. SUBSEQUENT EVENTS

In preparing the financial statements, the Corporation has evaluated events and transactions for potential recognition or disclosure through January 18, 2016, the date the financial statements were available to be issued.

4. OPERATING LEASES

The District leases its facilities under an operating lease, which expires in September 2015. Total rental expense under the operating lease was \$12,620 for the year ended September 30, 2015. No future required rentals are due after September 30, 2015.

5. DEFERRED COMPENSATION PLAN

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The plan and its assets are managed by an outside party.

6. PROPERTY AND EQUIPMENT

The following is a summary of the District's general fixed assets:

	Balance 10/01/14	Additions	Deductions	Balance 9/30/15
Land	\$ 700,120	\$ -	\$ -	\$ 700,120
Canals	2,888,690	-	-	2,888,690
Ponds	1,245,537	-	-	1,245,537
Water control structures	656,605	-	-	656,605
Furniture and equipment	12,767	-	-	12,767
	<u>\$ 5,503,719</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,503,719</u>
Less accumulated depreciation	<u>(4,724,121)</u>	<u>(8,737)</u>	<u>-</u>	<u>(4,732,858)</u>
Change in net assets invested in capital assets	<u>\$ 779,598</u>	<u>\$ (8,737)</u>	<u>\$ -</u>	<u>\$ 770,861</u>

Depreciation expense for the year ended September 30, 2015 was \$8,737.

VALENCIA WATER CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

7. CHANGES IN NET ASSETS

The following is a summary of the District's net assets:

Net assets invested in capital assets, October 1, 2014	\$ 779,598
Change in net assets invested in capital assets	<u>(8,737)</u>
Net assets invested in capital assets, September 30, 2015	<u>\$ 770,861</u>
Net assets, restricted, October 1, 2014	\$ 108,000
Change in net assets, restricted	<u>(108,000)</u>
Net assets, restricted, September 30, 2015	<u>\$ -</u>
Net assets, unrestricted, October 1, 2014	\$ 282,308
Change in net assets, unrestricted	<u>131,957</u>
Net assets, unrestricted, September 30, 2015	<u>\$ 414,265</u>

8. FAIR VALUE MEASUREMENTS

Accounting guidance establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under this guidance are described below:

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

LEVEL 2 – Inputs to the valuation methodology include:

- a. Quoted prices for similar assets or liabilities in active markets.
- b. Quoted prices for identical or similar assets or liabilities in inactive markets.
- c. Inputs other than quoted prices that are observable for the asset or liability.
- d. Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

LEVEL 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs are those that reflect the District's own assumptions about the assumptions that market participants would use in pricing the asset, based on the best information available in the circumstances.

VALENCIA WATER CONTROL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

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

Following is a description of the valuation methodologies used for assets measured at fair value:

- *Certificates of Deposit*: Fair value is the amount investors would receive currently if they were to withdraw from the investment.

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

The following table sets forth by level, within the fair value hierarchy, the District's assets at fair value as of September 30, 2015:

Description	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ -	\$ 250,167	\$ -	\$ 250,167
Total	\$ -	\$ 250,167	\$ -	\$ 250,167

VALENCIA WATER CONTROL DISTRICT
SCHEDULE OF EXPENSES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budget	Actual	Variance Favorable (Unfavorable)
Salaries and benefits			
Supervisors	\$ 3,000	\$ 2,100	\$ 900
Salaries	66,000	60,538	5,462
FICA taxes	4,100	4,631	(531)
Unemployment compensation insurance	700	203	497
Workers' compensation insurance	1,000	657	343
Total	<u>74,800</u>	<u>68,129</u>	<u>6,671</u>
Property maintenance			
Aquatic weed control	30,000	28,130	1,870
Canal and retention pond	50,000	80,326	(30,326)
Engineering	25,200	25,708	(508)
Consulting	27,500	29,631	(2,131)
Advertising	1,000	1,116	(116)
General	64,800	23,892	40,908
Mowing	80,000	76,140	3,860
Water quality monitoring	27,000	21,813	5,187
Total	<u>305,500</u>	<u>286,756</u>	<u>18,744</u>
Other			
Auditing	4,900	4,900	-
Bank fees	300	280	20
Contingency	1,000	-	1,000
Elections expense	2,000	2,611	(611)
Equipment leases	1,300	830	470
Insurance	14,000	15,125	(1,125)
Internet	300	968	(668)
Janitorial	2,000	1,572	428
Legal	12,000	12,000	-
Miscellaneous	400	294	106
NPDES	3,000	5,701	(2,701)
Office maintenance	600	1,342	(742)
Office supplies	1,000	1,390	(390)
Operating supplies	1,500	85	1,415
Orange County Tax Collector's fee	7,407	5,408	1,999
Postage and freight	700	313	387
Publications, subscriptions, and memberships	1,700	3,106	(1,406)
Office and leases	13,200	12,620	580
Telephone	700	268	432
Travel and per diem	200	-	200
Utilities	1,500	585	915
Total	<u>69,707</u>	<u>69,398</u>	<u>309</u>
Total Budget	<u>\$ 450,007</u>	424,283	<u>\$ 25,724</u>
Depreciation – Not Budgeted		<u>8,737</u>	
		<u>\$ 433,020</u>	

CARLILE AND HUNTER, LLC

Certified Public Accountants

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Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Board of Supervisors
Valencia Water Control District
Orlando, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of governmental activities, the business-type activities, and each major fund of Valencia Water Control District as of and for the year ended September 30, 2015 and the related notes to the financial statements, which collectively comprise Valencia Water Control District's basic financial statements, and have issued our report thereon dated January 18, 2016.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statement 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. 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 Valencia Water Control District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

This report is intended solely to describe the scope of our testing of internal control and compliance and the results of our 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 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.

Carlile and Hunter, LLC

Winter Park, Florida
January 18, 2016

CARLILE AND HUNTER, LLC
Certified Public Accountants

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ORLANDO, FL 32819
(407) 647-1722

Management Letter

Board of Supervisors
Valencia Water Control District
Orlando, Florida

The purpose of this letter is to recommend procedures which we believe will improve the efficiency of present accounting systems, if needed, to comment on the resolution of the prior year's management letter comments and to disclose other items as required by the Rules of the Auditor General, State of Florida.

PRIOR MANAGEMENT LETTER COMMENTS

There were no findings during the prior year.

CURRENT MANAGEMENT LETTER COMMENTS

There were no findings during the current year.

OTHER MANAGEMENT LETTER COMMENTS

The District was created under Chapter 298 as amended, of the Florida Statutes, Chapter 72-628, Laws of Florida, Special Acts of 1972.

We noted the information included in the District's Annual Financial Report of Units of Local Government, 2015, filed with the Department of Banking and Finance was in agreement with the District's financial statements.

In connection with our audit, we determined that none of the negative conditions applied to the district described in Section 218.503(1), Florida Statutes for the fiscal year ended September 30, 2015.

We applied financial condition assessment procedures pursuant to Rules of the Auditor General Section 10.556(8) and Section 10.554(1)(g)6.c.

The District's investment activity complied with Section 218.415, Florida statutes.

The assistance provided us during the audit by the District's staff was greatly appreciated.

Carlile and Hunter, LLC

Winter Park, FL
January 18, 2016

CARLILE AND HUNTER, LLC
Certified Public Accountants

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Board of Supervisors
Valencia Water Control District
Orlando, FL

We have examined the Valencia Water Control District's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2015. Management is responsible for the Authority's compliance with those requirements. Our responsibility is to express an opinion on the Authority's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

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

Carlile and Hunter, LLC

Winter Park, Florida
January 18, 2016