

*Valencia Water
Control District*


Agenda

April 11, 2017

AGENDA

**VALENCIA WATER CONTROL DISTRICT
NOTICE OF MEETING
OF
BOARD OF SUPERVISORS**

Please be advised that the Meeting of the Board of Supervisors of Valencia Water Control District will be held on Tuesday, April 11, 2017 at 1:00 P.M. in the **Lake Ridge Village Clubhouse, 10630 Larissa Street (Directions listed below)**. Attached is an Agenda for the meeting.



William W. Tew, District Director

DIRECTIONS TO MEETING:

From Orlando go West on I-4 to the Beach Line Expressway (528); go east past International Drive to Orangewood Blvd.; Go South on Orangewood Blvd., through 4-way stop at Gateway, turn left on Larissa Street. Proceed to Lake Ridge Village Clubhouse on right.

DISTRIBUTION

James A. Gerard; Von Ingle; Ed Neal; Gregory Bales; Debra Donton; David E. Mahler; Stephen F. Broome; Green Briar Village Clubhouse; Lake Ridge Village Clubhouse; Lime Tree Village Clubhouse; Montpelier Village Clubhouse; Parkview Pointe Village Clubhouse; Somerset Village Clubhouse; Deer Creek Village Clubhouse; Wingate Club; Lyle Spector, WHOA; and Tom Johnson, Orangewood HOA; Roy Miller, Waterview HOA; and Ken LaFrance, Windsor Walk.

"Persons are advised that if they decide to appeal any decisions made at these meetings/hearings, they will need a record of the proceedings and for such purpose they may need to ensure that a verbatim record of the proceedings is made which includes the testimony and evidence upon which the appeal is to be based, per section 298.0105, Florida Statutes."

"In accordance with the Americans with Disabilities Act, persons with disabilities needing a special accommodation should contact Valencia Water Control District at (407) 841-5524 x 101, not later than forty-eight hours prior to the meeting."

AGENDA

April 11, 2017

VALENCIA WATER CONTROL DISTRICT
BOARD OF SUPERVISORS MEETING
1 P.M.
LAKE RIDGE VILLAGE CLUBHOUSE
10630 LARISSA STREET
WILLIAMSBURG, ORLANDO, FLORIDA 32821

Item

1. Call meeting to order
2. Approval of February 14, 2017 Minutes
3. General Fund Financial Reports
4. Engineer's Report
 - A. Approval of Permit #0494 – Manny's Retail Building Addition
5. Attorney's Report
6. Director's Report
 - A. Review and Acceptance of the Fiscal Year 2016 Audit Report
7. Other Business
 - A. Acknowledge Nominations
 - B. Appoint Proxy Agents
 - C. Establish Annual Landowners' Meeting Date – Tuesday, June 13, 2017 at 1:00 PM
8. Adjournment

SECTION II

**MINUTES OF THE MONTHLY MEETING
OF THE BOARD OF SUPERVISORS
OF VALENCIA WATER CONTROL DISTRICT**

February 14, 2017

The monthly meeting of the Board of Supervisors of **VALENCIA WATER CONTROL DISTRICT** was held at 1:00 P.M. on Tuesday, February 14, 2017, in the Lake Ridge Village Clubhouse, Williamsburg Subdivision in Orlando, Florida. Present were Supervisors James Gerard, William Ingle, Ed Neal, Greg Bales and Debra Donton. Also in attendance were the following: Stephen F. Broome, District Attorney; David Mahler, District Engineer; William Tew, District Director; Stacie Vanderbilt, District Administrative Assistant; Teresa Viscarra; Dan Brown, Sthern Environmental.

ITEM #1 **Call Meeting to Order**

Mr. Tew called the meeting to order at 1:05 PM.

ITEM #2 **Approval of December 13, 2016 Minutes**

Mr. Tew stated the next item was the minutes from the December 13, 2016 monthly meeting. He asked if there were any corrections, deletions or additions.

On MOTION by Ms. Donton seconded and carried with all in favor the minutes of the December 13, 2016 Monthly Meeting of the Board of Supervisors were approved.

ITEM #3 **General Fund Financial Reports**

Mr. Tew stated that everything was within budget and that the budget will be discussed further with the Budget Review Committee.

The District's financial reports for the period ending 1/31/17 were accepted as distributed.

ITEM #4 **Engineer's Report**

A. Approval of Extension of Permit #0472 – AG-RW Grande Pines, LLC

Mr. Tew stated that whenever there is a State of Emergency, permits can be extended. He said that no approval was necessary but wanted the Board to be aware. He stated that Governor Scott approved the extension.

Mr. Mahler stated that there were upcoming projects that were currently under review in his office and would be ready for approval by the next meeting.

ITEM #5

Attorney's Report

There being none, next item followed.

ITEM #6

Director's Report

A. Discussion of Property Representation Letter to Orange County Sheriff's Department

Mr. Tew stated that due to complaints, he met with the Orange County Sheriff along with the clubhouse managers and Lake Ridge resident Donna Finkelstein. He stated that the Sheriff advised that they work for all people, so they are unable to have someone removed from other people's properties. The Sheriff advised that if someone is on a pond, and they receive a call, they can point out the "No Trespassing" sign but not much aside from that. He stated that he worked with District Counsel to draft a letter to the Sheriff's Office. He stated that he was looking for approval to issue this letter to certain residents noting what property they can call the Sheriff for. If the pond or canal isn't near their home, they won't be given authority to call. He stated that the District was doing this to protect the integrity of the ponds and to help keep crime down.

Mr. Ingle asked if there was any liability in appointing a community representative.

Mr. Broome stated that the District wasn't appointing a representative; only the Sheriff's office would handle calls received.

Mr. Tew stated that this just gave the resident the right to call the Sheriff in the event of trespassing in their immediate area and that it did not make anyone an official representative of the District.

On MOTION by Mr. Neal seconded and carried, with all in favor, the property representation letter to the Orange County Sheriff's Department was approved.

ITEM #7

Other Business

Mr. Tew asked the Board’s approval to pay Lake Ridge Village HOA \$50.00 per meeting for the set-up and use of the meeting room going forward.

On MOTION by Mr. Gerard seconded and carried, with all in favor to pay \$50.00 per meeting for set-up and room use to the Lake Ridge Village HOA going forward.

Mr. Tew attended the meeting at Orange County regarding the NPDES because Orange County is the lead permittee on the Water Atlas. He stated that they want to prepare educational pamphlets and provide water quality monitoring. He stated that the District would continue to do it’s own monitoring because it is required and that the information can be shared with Orange County if necessary to have continuity.

ITEM #10

Adjournment

The meeting adjourned at 1:30 P.M.

Stephen F. Broome, Secretary

James A. Gerard

William Von Ingle

Ed Neal

Greg Bales

Debra Donton

SECTION III

Valencia Water Control District
Balance Sheet
 As of March 31, 2017

	Mar 31, 17
ASSETS	
Current Assets	
Checking/Savings	
101200 · SunTrust Bank - Checking	369,986.97
101210 · Suntrust-Money Market Account	250,303.68
102000 · Cash on hand	100.00
Total Checking/Savings	620,390.65
Total Current Assets	620,390.65
Fixed Assets	
164000 · Land	700,120.00
164190 · Structures	656,805.00
164290 · Canals	2,888,690.00
164590 · Ponds	1,245,537.00
166190 · Equipment & Office furniture	12,767.28
199000 · Accumulated Depreciation	-4,741,594.98
Total Fixed Assets	762,124.30
TOTAL ASSETS	1,382,514.95
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
202001 · Accounts payable	-1,051.68
Total Accounts Payable	-1,051.68
Other Current Liabilities	
217300 · FUTA/SUTA payable	80.50
Total Other Current Liabilities	80.50
Total Current Liabilities	-971.18
Total Liabilities	-971.18
Equity	
271000 · Fund balance-unreserved	264,982.01
271020 · Fund balance-unreserved-002	4,900.00
271100 · Fund Balance -Reserved	
271130 · Canals & Pond Maintenance	18,356.42
Total 271100 · Fund Balance -Reserved	18,356.42
280100 · Net Assets Capitalized	866,157.39
Net Income	229,090.31
Total Equity	1,383,486.13
TOTAL LIABILITIES & EQUITY	1,382,514.95

12:32 PM
 04/03/17
 Accrual Basis

Valencia Water Control District
Profit & Loss Budget vs. Actual
 October 2016 through March 2017

	Oct '16 - Mar 17	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
319100 · Drainage tax assessment	418,459.94	257,826.10	160,633.84
361001 · Interest earnings - GF	76.38	0.00	76.38
369000 · Other miscell. revenue	62.00	0.00	62.00
Total Income	<u>418,598.32</u>	<u>257,826.10</u>	<u>160,772.22</u>
Gross Profit	418,598.32	257,826.10	160,772.22
Expense			
511200 · Supervisor Compensation	700.00	1,250.02	-550.02
512000 · Employee Salaries	27,000.00	27,000.00	0.00
521000 · FICA taxes	2,065.50	2,050.00	15.50
524000 · Workers' compensation	589.00	1,000.00	-411.00
525000 · Futa/Suta Unemployment Tx	94.00	159.52	-65.52
531100 · Management Fees	15,499.98	15,500.02	-0.04
531200 · Engineering services	12,600.00	12,600.00	0.00
531300 · Legal services	6,000.00	6,000.00	0.00
531600 · Website Creation/Maintenance	250.00	300.00	-50.00
531700 · Report Preparation - NPDES	2,876.88	7,250.02	-4,373.14
532200 · Auditing	4,900.00	4,900.00	0.00
534100 · Aquatic weed control	10,625.00	16,500.00	-5,875.00
534200 · Canal & retention pond	29,287.20	30,050.02	-762.82
534300 · Mowing	16,992.18	20,000.00	-3,007.82
534400 · Water quality monitoring	6,582.00	11,000.02	-4,418.02
534500 · Janitorial	655.00	1,000.02	-345.02
540000 · Travel & per diem	0.00	100.02	-100.02
541100 · Freight	0.00	100.02	-100.02
541200 · Postage	86.24	250.02	-163.78
541500 · Internet	677.46	750.00	-72.54
543000 · Utility services	206.54	500.02	-293.48
544000 · Office Lease	6,310.08	6,330.00	-19.92
545000 · Insurance	11,500.00	14,000.00	-2,500.00
546200 · R&M - general	25,000.00	32,750.02	-7,750.02
546300 · R&M - office	90.00	500.02	-410.02
546400 · R&M - security gates & signs	138.00	500.02	-362.02
547000 · Printing & binding	93.45	250.02	-156.57
549300 · Other chgs-miscellaneous	702.04	200.02	502.02
549400 · Other chgs-NPDES	1,991.39	2,000.02	-8.63
549500 · Other chgs-legal advertising	351.92	500.02	-148.10
549600 · Other chgs- Banking Fees	0.00	150.00	-150.00
549800 · Contingency Fund	0.00	200.02	-200.02
549900 · Other Chrgs-OC Prop. Appr. Fee	5,383.00	5,408.00	-25.00
551000 · Office Supplies	86.15	500.02	-413.87
552100 · Operating supplies	0.00	500.02	-500.02
554000 · Pubs, subscrips & members	175.00	1,250.02	-1,075.02
Total Expense	<u>189,508.01</u>	<u>223,297.94</u>	<u>-33,789.93</u>
Net Ordinary Income	<u>229,090.31</u>	<u>34,528.16</u>	<u>194,562.15</u>
Net Income	<u>229,090.31</u>	<u>34,528.16</u>	<u>194,562.15</u>

12:33 PM
 04/03/17
 Accrual Basis

Valencia Water Control District
Profit & Loss
 October 2016 through March 2017

	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17	TOTAL
Ordinary Income/Expense							
Income							
319100 · Drainage tax assessment	0.00	30,411.57	239,356.98	63,724.44	60,077.55	24,889.40	418,459.94
361001 · Interest earnings - GF	10.74	10.14	12.68	14.11	13.46	15.25	76.38
369000 · Other miscell. revenue	0.00	0.00	62.00	0.00	0.00	0.00	62.00
Total Income	10.74	30,421.71	239,431.66	63,738.55	60,091.01	24,904.65	418,598.32
Gross Profit	10.74	30,421.71	239,431.66	63,738.55	60,091.01	24,904.65	418,598.32
Expense							
511200 · Supervisor Compensation	200.00	0.00	250.00	0.00	250.00	0.00	700.00
512000 · Employee Salaries	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00	27,000.00
521000 · FICA taxes	344.25	344.25	344.25	344.25	344.25	344.25	2,065.50
524000 · Workers' compensation	0.00	589.00	0.00	0.00	0.00	0.00	589.00
525000 · Futa/Suta Unemployment Tx	4.50	4.50	18.00	49.50	17.50	0.00	94.00
531100 · Management Fees	2,500.00	2,666.66	2,583.33	2,583.33	2,583.33	2,583.33	15,499.98
531200 · Engineering services	2,100.00	2,100.00	2,100.00	2,100.00	2,100.00	2,100.00	12,600.00
531300 · Legal services	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	6,000.00
531600 · Website Creation/Maintenance	0.00	50.00	50.00	50.00	50.00	50.00	250.00
531700 · Report Preparation - NPDES	0.00	1,050.00	1,324.38	300.00	202.50	0.00	2,876.88
532200 · Auditing	0.00	0.00	0.00	0.00	0.00	4,900.00	4,900.00
534100 · Aquatic weed control	2,125.00	2,125.00	2,125.00	2,125.00	2,125.00	0.00	10,625.00
534200 · Canal & retention pond	0.00	22,416.20	0.00	0.00	0.00	6,871.00	29,287.20
534300 · Mowing	13,196.04	3,798.14	0.00	0.00	0.00	0.00	16,992.18
534400 · Water quality monitoring	1,645.50	1,645.50	0.00	1,645.50	1,645.50	0.00	6,582.00
534500 · Janitorial	131.00	131.00	131.00	131.00	131.00	0.00	655.00
541200 · Postage	7.20	14.40	8.26	24.60	8.79	22.99	86.24
541500 · Internet	113.02	113.02	113.02	112.80	112.80	112.80	677.46
543000 · Utility services	39.12	40.90	45.31	40.73	40.48	0.00	206.54
544000 · Office Lease	1,051.68	1,051.68	1,051.68	1,051.68	1,051.68	1,051.68	6,310.08
545000 · Insurance	11,500.00	0.00	0.00	0.00	0.00	0.00	11,500.00
546200 · R&M - general	1,000.00	0.00	2,000.00	2,000.00	0.00	20,000.00	25,000.00
546300 · R&M - office	0.00	45.00	0.00	0.00	45.00	0.00	90.00
546400 · R&M - security gates & signs	0.00	138.00	0.00	0.00	0.00	0.00	138.00
547000 · Printing & binding	24.30	28.20	0.00	16.50	0.15	24.30	93.45
549300 · Other chgs-miscellaneous	653.61	5.00	26.43	10.00	7.00	0.00	702.04
549400 · Other chgs-NPDES	0.00	0.00	1,991.39	0.00	0.00	0.00	1,991.39
549500 · Other chgs-legal advertising	0.00	0.00	177.50	174.42	0.00	0.00	351.92
549900 · Other Chrgs-OC Prop. Appr. Fee	5,383.00	0.00	0.00	0.00	0.00	0.00	5,383.00
551000 · Office Supplies	20.99	21.08	0.48	21.62	0.51	21.47	86.15
554000 · Pubs, subscrips & members	175.00	0.00	0.00	0.00	0.00	0.00	175.00
Total Expense	47,714.21	43,875.53	19,840.03	18,280.93	16,215.49	43,581.82	189,508.01
Net Ordinary Income	-47,703.47	-13,453.82	219,591.63	45,457.62	43,875.52	-18,677.17	229,090.31
Net Income	-47,703.47	-13,453.82	219,591.63	45,457.62	43,875.52	-18,677.17	229,090.31

SECTION IV



VALENCIA WATER CONTROL DISTRICT
135 W. CENTRAL BLVD., SUITE 320 ORLANDO, FL 32801
PHONE: 407-841-5524 X 101 - FAX: 407-839-1526

April 4, 2017

Manuel Messeguer Family Trust
Attn: Manuel Messeguer
2760 Goldenrod Drive
Winter Park, FL 32792

Subject: Permit #0494

Dear Mr. Messeguer:

Manuel Messeguer Family Trust is hereby granted a construction permit to construct an addition to the existing retail building located at 10910 S. Orange Blossom Trail, Orlando, Florida. Approval is granted in accordance with approved plans and hydraulic calculations and the following **GENERAL AND SPECIFIC CONDITIONS**:

GENERAL CONDITIONS:

1. That the District or their agents may at any time make such inspections as they may deem necessary to insure that the construction or work is performed in accordance with the conditions of this permit.
2. That the permittee will maintain the work authorized herein during construction and thereafter in good condition in accordance with the approved plans.
3. That the permittee shall comply promptly with any lawful regulations, conditions, or instructions affecting the structure or work authorized herein if and when issued by the U.S. Environmental Protection Agency, the South Florida Water Management District and the Florida Department of Environmental Protection and/or any county or city environmental protection agency having jurisdiction to abate or prevent water pollution, including thermal or radiation pollution. Such regulations, conditions, or instructions in effect or hereafter prescribed by the federal, state, county and city agencies have hereby made a condition of this permit.
4. It is understood and agreed that the rights and privileges herein set out are granted only to the extent of the District's right, title and interest in the land to be entered upon and used by the permittee, and the permittee will at all times, assume all risk and indemnify, defend and save harmless Valencia Water Control District from and against any and all loss, damage, cost or expense arising in any manner on account of the exercise or attempted exercises by the permittee of the aforesaid rights and privileges.

5. The permittee and/or their agents will use every measure to prevent the run-off of turbid water into the District's facilities including, but not limited to, the use of temporary ponds, silt barriers, chemical additives and temporary grassing during construction.
6. If discharge of water by permittee should at any time raise the level of pollutants in the District's water management facility to the point where the District is in violation of a statute or regulation, permittee will either: (a) immediately cease such discharge, (b) remove pollutants from the water before discharging into District facilities, and pay all costs which the District must incur in order to reduce pollution in the District's facilities to acceptable levels.
7. That all the provisions of this permit shall be binding on any assignee or successor in interest of the permittee.
8. That any modification, suspension or revocation of this permit shall not be the basis for a claim for damages against Valencia Water Control District.
9. The Valencia Water Control District agrees that the issuance of this permit allows the passage of water through their canals but in so doing does not assume any responsibility for damage to any persons or property.
10. That the engineer of record certify that the facilities as constructed comply with the submitted hydraulic calculations and approved drawings.
11. That the permittee agrees not to modify or alter the constructed facilities at any future time without the express consent of the District.
12. This permit is valid for 3 years from date of approval or runs concurrently with the SFWMD permit, if required, whichever expires first.
13. That this permit must be executed within 30 days of Board approval or must be brought back to the Board for reconsideration.

END OF GENERAL CONDITIONS

SPECIFIC CONDITIONS

1. That the drawings CV, C0, C1, C2 and C3 titled Manny's Retail Building Addition as recommended for approval by the District Engineer on 3/29/17, become part of this permit.

Attest:

Signature: _____

Manuel Messeguer Family Trust

Title: _____

Attest:

Granted by:

Valencia Water Control District

By: _____

James Gerard, President

On this _____ day of _____, 2017.



1117 East Robinson Street
Orlando, Florida 32801
Phone: 407.425.0452

March 29, 2017

Mr. William Tew, District Director
Valencia Water Control District
10365 Oranewood Boulevard
Orlando, Florida 32821

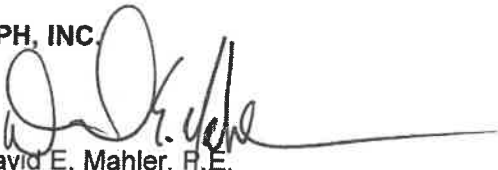
RE: Manny's Retail Building Addition
VWCD Permit No. 0494
CPH Project No. 6816.06

Dear Bill:

We have completed our review of the above referenced project submitted by Z Development Services dated March 6, 2017. Based on our review, we have no objection to the Board approving this permit.

Sincerely,

CPH, INC.



David E. Mahler, P.E.
District Engineer

Cc: Bob Ziegenfuss, P.E., Z Development Services
file

Permit No. _____
(Assigned by V.W.C.D.)

PERMIT APPLICATION
Valencia Water Control District
10365 Orangetown Blvd.
Orlando, FL 32821
(407) 355-5741

(1) PROPOSED USE: RETAIL

(2) LOCATION OF WORK: Block: _____ Lot: _____ Subdivision: _____
or Section: _____ Township: _____ Range: _____

PROPERTY ID: 10-24-29-0000-00-021 (ORANGE COUNTY)

(3) DISTRICT WORKS INVOLVED: NO DIRECT CONNECTION

(4) OWNER OF PROPOSED WORK OR STRUCTURE: Phone #: _____

Name: MANUEL MESSEGUER Title: OWNER

Address: 2760 GOLDENROD DR. WINTER PARK, FL 32792
(Street) (City) (State) (Zip)

(5) APPLICATION OTHER THAN OWNER: (if any) Phone #: 407 271 8910

Name: BOB ZIEGENFUSS Serving as: AGENT

Address: 708 E. COLONIAL DR, #100 ORLANDO, FL 32803
(Street) (City) (State) (Zip)

(6) AREA PROPOSED TO BE SERVED: Give legal description and size in acres. Attach legal description if necessary. If land is platted, indicate Block, Lot and Subdivision. _____

PROPERTY ID: 10-24-29-0000-00-021

(7) CONSTRUCTION SCHEDULE: The proposed work, if permitted, will begin within 5 calendar days of permit approval and be completed within 160 calendar days thereafter.

(8) This application, including sketches, drawings or plans and specifications attached contains a full and complete description of work proposed or use desired of the above described facilities of the District and for which permit is herewith applied. It shall be a part of any permit that may be issued. It is agreed that all work or the use of the District's facilities will be in accordance with the permit to be granted.

Submitted this 3rd day of March, 2017.

Signature of Property Owner (Officer of Corporation): 

Print Name of Property Owner (Officer): MANNY MESSEGUER

SECTION VI

VALENCIA WATER CONTROL DISTRICT
FINANCIAL STATEMENTS
FOR THE YEAR ENDING SEPTEMBER 30, 2016

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CARLILE AND HUNTER, LLC
Certified Public Accountants

7512 DR. PHILLIPS BLVD, SUITE 50-739
ORLANDO, FLORIDA 32819
(407) 647-1722

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, 2016 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, 2016, 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 February 28, 2017 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.

Carfile and Hunter, LLC
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Orlando, Florida
February 28, 2017

VALENCIA WATER CONTROL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016

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, 2016, concluded with operations within the approved budget limitations; similar to the performance from the previous year.

ASSETS

As of September 30, 2016, the District's total assets include cash, investments, property and equipment and other assets. Total assets decreased from \$1,207,800 in 2015 to \$1,183,044 in 2016, due to increased operating expenses in 2016.

VALENCIA WATER CONTROL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016

LIABILITIES

As of September 30, 2016, total liabilities of \$28,698 included payroll taxes of \$13 and unpaid invoices of \$33,585. These totals are higher than the totals as of September 30, 2016 due to a large payable at the end of the current year.

REVENUES

Operating revenues increased \$12,976 in the fiscal year ended September 30, 2016 or 2.9%. Over 99% of operating revenues are from assessments to property owners.

EXPENSES

Expenses excluding depreciation increased by \$30,810 in the fiscal year ended September 30, 2016 primarily due to higher property maintenance expenses in the current fiscal year.

OVERALL FINANCIAL POSITION

The Districts net unrestricted assets at September 30, 2016 were \$392,272. 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, 2016

ASSETS

Current assets		
Cash and cash equivalents	\$	156,230
Certificates of deposit		250,254
Prepaid expenses and accounts receivable		<u>14,486</u>
Total current assets		420,970
Property and equipment, at cost (Note 3)	5,503,719	
less accumulated depreciation	<u>(4,741,595)</u>	<u>762,124</u>
Total assets	\$	<u><u>1,183,094</u></u>

LIABILITIES

Current liabilities		
Accounts payable	\$	<u>28,698</u>
Total current liabilities		<u><u>28,698</u></u>

NET ASSETS

Net assets:		
Invested in capital assets		762,124
Unrestricted net assets		<u>392,272</u>
		<u><u>1,154,396</u></u>
Total net assets	\$	<u><u>1,183,094</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, 2016

	Actual	Budget
Operating revenues		
Tax assessments	\$ 456,273	\$ 464,098
Miscellaneous	3,808	-
Total operating revenues	460,081	464,098
Operating and maintenance expenses		
Salaries and benefits	61,157	62,450
Property maintenance	317,311	316,300
Depreciation expense	8,737	-
Other expenses	76,625	85,348
Total operating and maintenance expenses	463,830	464,098
Operating loss	(3,749)	-
Non-operating revenues		
Interest income	171	-
Total non-operating revenues	171	-
Change in total net assets (see note 7)	(3,578)	\$ -
Net assets, October 1, 2015	1,157,974	
Net assets, September 30, 2016	\$ 1,154,396	

See accompanying notes to financial statements

VALENCIA WATER CONTROL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Cash flows from operating activities:	
Cash received from tax assessments	\$ 460,527
Cash paid to suppliers for goods and services	(412,451)
Cash paid to employees for services	<u>(61,176)</u>
Net cash required by operating activities	<u>(13,100)</u>
Cash flows from investing activities:	
Interest on investments	<u>171</u>
Net cash provided by investing activities	<u>171</u>
Decrease in cash and cash equivalents	(12,929)
Cash and cash equivalents, beginning of year	<u>419,413</u>
Cash and cash equivalents, end of year	<u>\$ 406,484</u>
Reconciliation of operating loss to net cash required by operating activities:	
Operating loss	\$ (3,749)
Adjustments to reconcile changes in net operating assets to net cash required by operating activities:	
Depreciation	8,737
Decrease in prepaid expenses	2,594
Decrease in receivables	446
Increase in accounts payable	6,043
Adjustment to prior period	(27,152)
Decrease in accrued liabilities	<u>(19)</u>
Net cash required by operating activities	<u>\$ (13,100)</u>

See accompanying notes to financial statements

VALENCIA WATER CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

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, 2016

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, 2016

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, 2016, 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, 2016.

3. SUBSEQUENT EVENTS

In preparing the financial statements, the Corporation has evaluated events and transactions for potential recognition or disclosure through February 28, 2017, the date the financial statements were available to be issued.

4. OPERATING LEASES

The District leases its facilities under a month to month operating lease. Total rental expense under the operating lease was \$11,566 for the year ended September 30, 2016. No future required rentals are due under this agreement.

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 10/01/15	Additions	Deductions	Balance 9/30/16
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>(4,732,858)</u>	<u>(8,737)</u>	<u>-</u>	<u>(4,741,595)</u>
Change in net assets invested in capital assets	<u>\$ 770,861</u>	<u>\$ (8,737)</u>	<u>\$ -</u>	<u>\$ 762,124</u>

Depreciation expense for the year ended September 30, 2016 was \$8,737.

VALENCIA WATER CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

7. CHANGES IN NET ASSETS

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

Net assets invested in capital assets, October 1, 2015	\$ 770,861
Change in net assets invested in capital assets	<u>(8,737)</u>
Net assets invested in capital assets, September 30, 2016	<u>\$ 762,124</u>
Net assets, unrestricted, October 1, 2015	\$ 387,113
Change in net assets, unrestricted	<u>5,159</u>
Net assets, unrestricted, September 30, 2016	<u>\$ 392,272</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, 2016

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, 2016:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of deposit	\$ -	\$ 250,254	\$ -	\$ 250,254
Total	\$ -	\$ 250,254	\$ -	\$ 250,254

VALENCIA WATER CONTROL DISTRICT
SCHEDULE OF EXPENSES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budget	Actual	Variance Favorable (Unfavorable)
Salaries and benefits			
Supervisors	\$ 3,000	\$ 2,150	\$ 850
Salaries	54,000	54,000	-
FICA taxes	4,131	4,131	-
Unemployment compensation insurance	319	803	(484)
Workers' compensation insurance	1,000	73	927
Total	<u>62,450</u>	<u>61,157</u>	<u>1,293</u>
Property maintenance			
Aquatic weed control	30,000	24,915	5,085
Canal and retention pond	60,100	59,909	191
Engineering	25,200	25,200	-
Consulting	30,000	30,000	-
Advertising	1,000	1,109	(109)
General	70,000	59,782	10,218
Mowing	80,000	97,198	(17,198)
Water quality monitoring	20,000	19,198	802
Total	<u>316,300</u>	<u>317,311</u>	<u>(1,011)</u>
Other			
Auditing	4,900	4,900	-
Bank fees	300	432	(132)
Contingency	500	-	500
Elections expense	2,000	2,766	(766)
Equipment leases	-	-	-
Insurance	12,000	14,489	(2,489)
Internet	1,500	1,363	137
Janitorial	1,881	1,572	309
Legal	12,000	12,000	-
Miscellaneous	600	379	221
NPDES	18,500	17,164	1,336
Office maintenance	1,600	587	1,013
Office supplies	1,000	530	470
Operating supplies	1,500	-	1,500
Orange County Tax Collector's fee	5,407	5,410	(3)
Postage and freight	700	255	445
Photograph - Aerial	4,000	-	4,000
Publications, subscriptions, and memberships	1,500	1,394	106
Office and leases	12,660	11,568	1,092
Website	1,100	1,101	(1)
Travel and per diem	200	208	(8)
Utilities	1,500	507	993
Total	<u>85,348</u>	<u>76,625</u>	<u>8,723</u>
Total Budget	<u>\$ 464,098</u>	455,093	<u>\$ 9,005</u>
Depreciation – Not Budgeted		<u>8,737</u>	
		<u>\$ 463,830</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, 2016 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 February 28, 2017.

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.

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E=Orlando.hunter@calicgroup.com,
CN="Carfile and Hunter, LLC"
Reason: I am the author of this document
Date: 2017.04.04 14:42:52-0400'

Orlando, Florida
February 28, 2017

CARLILE AND HUNTER, LLC
Certified Public Accountants

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(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, 2016, 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, 2016.

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.

Orlando, FL
February 28, 2017

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, 2016. 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, 2016.

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  Digitally signed by Carlile and Hunter, LLC
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c=US, ou=Carlile and Hunter, LLC
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Orlando, Florida
February 28, 2017