

**TINDALL HAMMOCK IRRIGATION
AND SOIL CONSERVATION DISTRICT**

FINANCIAL STATEMENTS

September 30, 2019

**TINDALL HAMMOCK IRRIGATION AND
SOIL CONSERVATION DISTRICT
September 30, 2019**

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INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
Tindall Hammock Irrigation and Soil Conservation District
Fort Lauderdale, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities and each major fund and the aggregate remaining fund information of Tindall Hammock Irrigation and Soil Conservation District ("the District"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, business type activities, and the aggregate remaining fund information of the Tindall Hammock Irrigation and Soil Conservation District, as of September 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 8 and 31 through 33 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 19, 2020, on our consideration of the Tindall Hammock Irrigation and Soil Conservation District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Tindall Hammock Irrigation and Soil Conservation District's internal control over financial reporting and compliance.

Lerro & Chandross, PLLC
Certified Public Accountants

June 19, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

**TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
September 30, 2019**

The management of Tindall Hammock Irrigation and Soil Conservation District would like to provide readers of the District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended September 30, 2019. Readers are encouraged to consider the information presented in this discussion and analysis in conjunction with the District's basic financial statements, which are contained herein and commence on page 9.

Prior to discussing the financial position of the District, the following information is offered to the readers. The Tindall Hammock Irrigation and Soil Conservation District exists pursuant to the provisions of Ch. 98-523, Laws of Florida, as amended, a Special Act of the Florida Legislature. The District was originally formed in 1951 and today the District manages approximately 780 acres in central Broward County, Florida, and serves a population of approximately 3,123 residents. The District, a special purpose unit of local government, has powers to manage stormwater, and exercise flood control, as well as own and operate utilities. Such powers include the ability to borrow money, and issue bonds or other evidences of indebtedness, to assess and levy upon all the lands in the District annual drainage, administrative and maintenance taxes, and to install and foreclose special assessment liens.

FINANCIAL HIGHLIGHTS

The District's total assets exceeded total liabilities by \$20,510,726 (net position). Unrestricted net position for governmental activities was \$8,673,467 and \$(2,337,159) for business-type activities. The restricted net position for the impact fee fund was \$585,608.

Governmental activities revenues totaled \$1,037,141 while governmental activities expenses totaled \$400,418. Business – type operating revenues totaled \$3,061,525. Business – type expenses totaled \$2,235,587. Impact fee revenues totaled \$222,727. Impact fee expenses totaled \$0.

DISTRICT HIGHLIGHTS

For fiscal year 2019 the District did change the millage rate from the 1.9 mills as levied in fiscal year 2018 to the rolled-back rate of 1.6498 mills. There was no effective increase in ad valorem taxes by decreasing to the rolled-back millage rate in fiscal year 2019.

During the 2019 fiscal year the District completed the following capital improvement projects:

The District completed several improvements to the storm water system including rehabilitation of the South Pump and culvert installations. Most notably, the construction of the Haul Road Culvert was completed and certified.

Upon completion of the Phase I components of the Capital Plan, the utility continued with significant repairs and deferred maintenance of several components of the older plant to provide proper redundancy. The engineering work relating to the pump installation for Well #3 was completed and bid during the fiscal year. The contract was awarded for the pump installation for Well #3 and Well #2 modifications.

**TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
September 30, 2019**

DISTRICT HIGHLIGHTS (continued)

The District continued developing or permitting plans for Phase II of the Capital Plan and incorporated these plans in its Fiscal Year 2018/2019 budget. The process is rather lengthy and the District has responded to several requests for additional information from the various permitting agencies. Key components of Phase II include a new raw water well #3, a new internal recycle pump, filter media replacement and repair, water treatment plant control and instrumentation, installation of polymer feed to all clarifiers, installation of sludge drying beds, the purchase of two generators for pump stations, and modification/conversion of the existing aeration basin to MLE. These capital expenditures were identified as being priority projects.

During the budgeting process, several other projects including painting of the entire plant, installation of new pressure sustaining valves, investigation and analysis of 4-log compliance, a new electrical building and an interconnect with the Town of Davie were identified with funds budgeted to begin the process of design and analysis. The District anticipates budgeting for and beginning these projects at some point in the future.

The five-year recertification process was continued for property owners within the District with a total of two five-year renewal certifications completed during the fiscal year. In addition, there were four applications for permits or new certifications completed during the year involving storm water drainage and three development reviews and inspections for water and sewer services. The District continued with the permitting process and related work involving utility easements for new developments within the utility service area.

The District completed the work on the five-year operational permit from the Florida Department of Environmental Protection and the permit was renewed until August 5, 2024. The annual operating wastewater permit with Broward County was also renewed.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The government-wide financial statements present an overall picture of the District's financial position and results of operations. The fund financial statements present financial information for the District's major funds. The notes to the basic financial statements provide additional information concerning the District's finances that are not disclosed in the government-wide or fund financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are the Statement of Net Position and the Statement of Activities. These statements use accounting methods similar to those used by private sector companies. Emphasis is placed on the net position of governmental activities and business-type activities and the change in net position. Governmental activities are primarily supported by assessments and property taxes. Business-type activities are supported by charges to the users of those activities, such as water and sewer services.

**TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
September 30, 2019**

Government-wide financial statements (continued)

The Statement of Net Position presents information on all assets, deferred outflows of resources, deferred inflows of resources and liabilities of the District, with the difference between the four reported as net position. Net position is reported in three categories: 1) investment in capital assets, net of related debt, 2) restricted and 3) unrestricted. Assets, liabilities, and net position are reported for all governmental activities separate from the assets, liabilities, and net position of business-type activities.

The statement of activities presents information on all revenues and expenses of the District and the change in net position. Expenses are reported by major function and program. Revenues relating to those functions are reported, providing the net cost of all functions provided by the District. To assist in understanding the District's operations, expenses have been reported as governmental activities or business-type activities. Governmental activities financed by the District include physical environment and general government. Business-type activities financed by user charges include water and sewer services.

Fund Financial statements

Fund financial statements present financial information for governmental funds and proprietary funds. These statements provide financial information for the major funds of the District. Governmental fund financial statements provide information on the assets and liabilities of the fund, changes in current financial resources (revenues and expenditures), and available resources. The Enterprise Fund financial statements provide information on all assets and liabilities of the funds, changes in the economic resources (revenues and expenses), and total economic resources.

Fund financial statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balance for all governmental funds. A statement of revenues, expenditures, and changes in fund balance - budget and actual, is provided for the District's General Fund. For the Enterprise Fund, a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows are presented. Fund financial statements provide more detailed information about the District's activities. Individual funds are established by the District to track revenues that are restricted to certain uses and comply with legal requirements.

The government-wide financial statements and the fund financial statements provide different pictures of the District. The government-wide financial statements provide an overall picture of the District's financial standing, split between governmental activities and business-type activities. These statements are comparable to private-sector companies and give a good understanding of the District's overall financial health and how the District paid for the various activities, or functions, provided by the District. All assets of the District, including buildings, machinery and equipment, and infrastructure are reported in the statement of net position. All liabilities, including principal outstanding on debt, and future employee benefits, obligated but not paid by the District, are included. The statement of activities includes provision for depreciation of all long-lived assets of the District, but transactions between the different functions of the District have been eliminated in order to avoid "doubling up" the revenues and expenses.

**TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
September 30, 2019**

Government-wide financial statements (continued)

The fund financial statements provide a picture of the major funds of the District. In the case of governmental activities, outlays for long-lived assets are reported as expenditures, and long-term liabilities, such as general obligations bonds, are not included in the fund financial statements. To provide a link from the fund financial statements to the government-wide financial statements, reconciliation is provided.

Notes to the Basic Financial statements

The notes provide additional detail concerning the financial activities and financial balances of the District, information about the accounting practices of the District, investments of the District, and long-term debt. It is important for readers to spend time understanding these notes as they contain important information related to the financial statements.

THE DISTRICT AS A WHOLE

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Tindall Hammock Irrigation and Soil Conservation District, assets exceeded liabilities by \$20,510,726 at the close of the most recent year. The largest portion of the District's net position (66%) reflects its investments in capital assets (land, buildings, machinery and equipment, and infrastructure). The District uses capital assets to provide services to property owners, residents and businesses; accordingly, these assets are not available for future spending.

The District adopted the fiscal year 2018-2019 General and Proprietary Fund Budgets on September 19, 2018. The District made no amendments to the budget during the fiscal year. Total General Fund expenditures budgeted for the fiscal year ended September 30, 2019, were \$661,633 which excludes capital or proprietary expenditures. Total actual general fund expenditures were \$356,015. The significant difference between budgeted and actual expenditures was largely due to engineering fees, pump repairs and maintenance, machinery, equipment, infrastructure, and contingency events that were budgeted but not expended. Total Proprietary Fund expenditures budgeted for the fiscal year ended September 30, 2019, were \$1,620,386, while the actual Proprietary Fund expenditures were \$1,570,570. The most significant favorable variances occurred in the payroll, sludge removal, maintenance and water testing categories as this was the second operational year for the new plant. The capital budget relating to the Fern Crest Water and Wastewater Improvements for the fiscal year 2018-2019 was \$2,189,797 of which \$286,768 was spent. The difference between budgeted and actual capital expenditures relates solely to project timing. Given the uncertainty of the timing of new development activities within the District boundaries, no expenditures from the Impact Fee Fund were budgeted and impact fees of \$222,680 were assessed during the fiscal year.

ACQUISITION OF WATER AND WASTEWATER UTILITY SYSTEM

The District acquired Ferncrest Utilities, Inc. on November 3, 2008, through the issuance of \$1,983,587 of its Ad Valorem Tax Bond Anticipation Notes, Series 2008, as payment of a portion of the purchase price of \$4,240,000.

**TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
September 30, 2019**

GOVERNMENT-WIDE FINANCIAL ASSETS

As noted earlier, net position may serve over time as a useful indicator of financial position. The table below reflects the condensed government-wide statement of net position as of September 30, 2019 and 2018.

	Net Position							
	<u>Governmental Activities</u>		<u>Impact Fee Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current and other assets	\$ 8,704,174	\$ 8,807,731	\$ 585,608	\$ 362,881	\$ 4,315,912	\$ 3,193,303	\$ 13,605,694	\$ 12,363,915
Capital assets	<u>1,731,040</u>	<u>976,491</u>	<u>-</u>	<u>-</u>	<u>11,857,770</u>	<u>11,344,362</u>	<u>13,588,810</u>	<u>12,320,853</u>
Total assets	<u>10,435,214</u>	<u>9,784,222</u>	<u>585,608</u>	<u>362,881</u>	<u>16,173,682</u>	<u>14,537,665</u>	<u>27,194,504</u>	<u>24,684,768</u>
Other liabilities	30,707	16,438	-	-	6,653,071	6,734,650	6,683,778	6,751,088
Non-current liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>30,707</u>	<u>16,438</u>	<u>-</u>	<u>-</u>	<u>6,653,071</u>	<u>6,734,650</u>	<u>6,683,778</u>	<u>6,751,088</u>
Net Position:								
Investment in capital assets, Net of related debt	1,731,040	976,491	-	-	11,857,770	11,344,362	13,588,810	12,320,853
Restricted	<u>-</u>	<u>-</u>	<u>585,608</u>	<u>362,881</u>	<u>-</u>	<u>-</u>	<u>585,608</u>	<u>362,881</u>
Unrestricted	<u>8,673,467</u>	<u>8,791,293</u>	<u>-</u>	<u>-</u>	<u>(2,337,159)</u>	<u>(3,541,347)</u>	<u>6,336,308</u>	<u>5,249,946</u>
Total net position	<u>\$ 10,404,507</u>	<u>\$ 9,767,784</u>	<u>\$ 585,608</u>	<u>\$ 362,881</u>	<u>\$ 9,520,611</u>	<u>\$ 7,803,015</u>	<u>\$ 20,510,726</u>	<u>\$ 17,933,680</u>

Governmental activities increased the District's net position by \$636,723, impact fee activities increased the net position by \$222,727 and business-type activities increased the net position by \$1,717,596 as reflected in the table below:

	Statement of Activities							
	<u>Governmental Activities</u>		<u>Impact Fee Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues:								
Maintenance taxes, net	\$ 1,035,921	\$ 990,016	\$ -	\$ -	\$ -	\$ -	\$ 1,035,921	\$ 990,016
Water and sewer fees	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,043,546</u>	<u>2,963,429</u>	<u>3,043,546</u>	<u>2,963,429</u>
Interest and other income	<u>1,220</u>	<u>963</u>	<u>222,727</u>	<u>7,441</u>	<u>17,979</u>	<u>-</u>	<u>241,926</u>	<u>8,404</u>
Total revenues	<u>1,037,141</u>	<u>990,979</u>	<u>222,727</u>	<u>7,441</u>	<u>3,061,525</u>	<u>2,963,429</u>	<u>4,321,393</u>	<u>3,961,849</u>
Expenses:								
Operations and maintenance	324,597	261,355	-	-	891,822	797,162	1,216,419	1,058,517
Payroll, taxes and benefits	30,001	29,913	-	-	678,747	700,787	708,748	730,700
Depreciation and amortization	<u>45,820</u>	<u>40,813</u>	<u>-</u>	<u>-</u>	<u>665,018</u>	<u>632,164</u>	<u>710,838</u>	<u>672,977</u>
Total expenses	<u>400,418</u>	<u>332,081</u>	<u>-</u>	<u>-</u>	<u>2,235,587</u>	<u>2,130,113</u>	<u>2,636,005</u>	<u>2,462,194</u>
Other income expense:								
Infrastructure contributed by developer	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>891,658</u>	<u>-</u>	<u>891,658</u>	<u>-</u>
Change in net position	636,723	658,898	222,727	7,441	1,717,596	833,316	2,577,046	1,499,655
Net position, beginning of year	<u>9,767,784</u>	<u>9,108,886</u>	<u>362,881</u>	<u>355,440</u>	<u>7,803,015</u>	<u>6,969,699</u>	<u>17,933,680</u>	<u>16,434,025</u>
Net position, end of year	<u>\$ 10,404,507</u>	<u>\$ 9,767,784</u>	<u>\$ 585,608</u>	<u>\$ 362,881</u>	<u>\$ 9,520,611</u>	<u>\$ 7,803,015</u>	<u>\$ 20,510,726</u>	<u>\$ 17,933,680</u>

**TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
September 30, 2019**

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District Chairman, H. Collins Forman Jr. at 1323 SE 3rd Avenue, Fort Lauderdale, 33316.

**BASIC FINANCIAL STATEMENTS –
GOVERNMENT-WIDE**

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT

Statement of Net Position

September 30, 2019

	Government Activities	Impact Fee Activities	Business-Type Activities	Totals
ASSETS:				
Cash and cash equivalents	\$ 2,395,316	\$ 585,608	\$ 3,060,115	\$ 6,041,039
Accounts receivable	39,415	-	266,762	306,177
Prepaid expenses	-	-	18,902	18,902
Goodwill	-	-	970,133	970,133
Advances to water and sewer fund	6,269,443	-	-	6,269,443
Deposits and other assets	-	-	-	-
Capital assets being depreciated (net)	1,731,040	-	10,486,979	12,218,019
Capital assets not being depreciated	-	-	1,370,791	1,370,791
Total assets	<u>10,435,214</u>	<u>585,608</u>	<u>16,173,682</u>	<u>27,194,504</u>
LIABILITIES:				
Accounts payable and accrued expenses	29,507	-	81,763	111,270
Contracts payable	1,200	-	88,998	90,198
Customer deposits	-	-	208,940	208,940
Other liabilities	-	-	3,927	3,927
Advances from general fund	-	-	6,269,443	6,269,443
Total liabilities	<u>30,707</u>	<u>-</u>	<u>6,653,071</u>	<u>6,683,778</u>
NET POSITION:				
Investment in capital assets, net of related debt	1,731,040	-	11,857,770	13,588,810
Restricted	-	585,608	-	585,608
Unrestricted	8,673,467	-	(2,337,159)	6,336,308
Total net position	<u>\$ 10,404,507</u>	<u>\$ 585,608</u>	<u>\$ 9,520,611</u>	<u>\$ 20,510,726</u>

See accompanying notes to the financial statements.

**BASIC FINANCIAL STATEMENTS -
FUND**

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Balance Sheet - Governmental Fund
September 30, 2019

	General Fund
ASSETS	
Cash and investments	\$ 2,395,316
Advance to Proprietary Fund	6,269,443
Other assets	39,415
Total assets	\$ 8,704,174
 LIABILITIES AND FUND BALANCE:	
Liabilities:	
Accounts payable and accrued expenses	\$ 29,507
Contracts payable	1,200
Total liabilities	30,707
 FUND BALANCE:	
Unassigned	8,673,467
Total fund balance	8,673,467
Total liabilities and fund balance	\$ 8,704,174

See accompanying notes to the financial statements.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Reconciliation of Governmental Fund Balance Sheet
to Statement of Net Position
September 30, 2019

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE
STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:

Total governmental fund balance		\$ 8,673,467
Capital assets used in governmental activities are not financial resources and therefore are not reported in funds:		
Capital assets	2,731,205	
Less accumulated depreciation	<u>(1,000,165)</u>	<u>1,731,040</u>
 TOTAL NET POSITION		 <u>\$ 10,404,507</u>

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Statement of Revenues, Expenditures, and Changes in
Fund Balance - Governmental Fund
For the fiscal year ended September 30, 2019

	<u>General Fund</u>
General Revenues:	
Maintenance taxes, net of discounts	\$ 1,035,921
Investment earnings and other income	<u>1,220</u>
Total general revenues	<u>1,037,141</u>
Expenditures:	
Operations and maintenance	324,597
Capital expenditures	798,953
Payroll, payroll taxes and benefits	30,001
Financing expenses	<u>1,416</u>
Total expenditures	<u>1,154,967</u>
Excess of revenues over expenditures	<u>(117,826)</u>
Net change in fund balance	(117,826)
Fund balance at beginning of year	<u>8,791,293</u>
Fund balance at end of year	<u>\$ 8,673,467</u>

See accompanying notes to the financial statements.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund
Balance of Governmental Fund to the Statement of Activities
For the fiscal year ended September 30, 2019

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES
 IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:

Net change in fund balance - total governmental fund \$ (117,826)

Governmental fund reports capital outlays as expenditures.
 However, in the statement of activities, the cost of capital
 assets are allocated over their estimated useful lives and
 reported as depreciation expense

Expenditures for capital assets	\$ 798,953	
Less current year depreciation	<u>(44,404)</u>	<u>754,549</u>

Changes in net position \$ 636,723

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT

**Balance Sheet -
Proprietary Fund
September 30, 2019**

	<u>Water and Sewer Utility</u>
ASSETS:	
Cash and cash equivalents	\$ 3,060,115
Accounts receivable, net	266,762
Prepaid expenses	18,902
Goodwill	970,133
Capital assets (net)	<u>11,857,770</u>
 Total assets	 <u><u>\$ 16,173,682</u></u>
 LIABILITIES:	
Accounts payable and accrued expenses	\$ 81,763
Advance from General Fund	6,269,443
Contracts payable	88,998
Customer deposits	208,940
Other liabilities	<u>3,927</u>
 Total liabilities	 <u>6,653,071</u>
 NET POSITION:	
Investment in capital assets, net of related	11,857,770
Unrestricted	<u>(2,337,159)</u>
 Total net position	 <u>9,520,611</u>
 Total liabilities and net position	 <u><u>\$ 16,173,682</u></u>

See accompanying notes to the financial statements.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Statement of Revenues, Expenses and Changes in Net Position -
Proprietary Fund
For the fiscal year ended September 30, 2019

	<u>Water and Sewer Utility</u>
Operating revenue:	
Water and sewer fees	\$ 3,043,546
Other income	<u>17,979</u>
Total operating revenue	<u>3,061,525</u>
Operating expenses:	
Operations and maintenance	891,822
Payroll, payroll taxes and benefits	678,747
Depreciation	<u>665,018</u>
Total operating expenses	<u>2,235,587</u>
Net operating income	<u>825,938</u>
Contributed assets:	
Infrastructure contributed by developer	<u>891,658</u>
Total contributed assets	<u>891,658</u>
Change in net position	1,717,596
Net position, beginning of year	<u>7,803,015</u>
Net position, end of year	<u>\$ 9,520,611</u>

See accompanying notes to the financial statements.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Statement of Cash Flows -
Proprietary Fund
For the fiscal year ended September 30, 2019

	<u>Water and Sewer Utility</u>
Cash flows used by operating activities:	
Cash received from customers and users	\$ 3,011,344
Cash paid to employees for services	(675,412)
Cash paid to suppliers for goods and services	<u>(913,127)</u>
Net cash used by operating activities	<u>1,422,805</u>
Cash flows used for investing activities:	
Purchase of operating assets, net	<u>(286,768)</u>
Net cash used for investing activities	<u>(286,768)</u>
Cash flows used for financing activities:	
Advances to governmental fund	<u>(39,258)</u>
Net cash used for financing activities	<u>(39,258)</u>
Net increase in cash and cash equivalents	1,096,779
Cash and cash equivalents at beginning of year	<u>1,963,336</u>
Cash and cash equivalents at end of year	<u>\$ 3,060,115</u>

See accompanying notes to the financial statements.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Balance Sheet -
Impact Fee Fund
September 30, 2019

ASSETS:	<u>Impact Fee Fund</u>
Cash and cash equivalents	\$ <u>585,608</u>
Total assets	\$ <u><u>585,608</u></u>
NET POSITION:	
Restricted	\$ <u>585,608</u>
Total net position	<u>585,608</u>
Total liabilities and net position	\$ <u>585,608</u>

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Statement of Revenues, Expenses and Changes in Net Position -
Impact Fee Fund
For the fiscal year ended September 30, 2019

	<u>Impact Fee Fund</u>
Operating revenue:	
Impact Fees	\$ 222,680
Other income	<u>47</u>
Net operating income	222,727
Operating expenses	<u>-</u>
Change in net position	222,727
Net position, beginning of year	<u>362,881</u>
Net position, end of year	<u>\$ 585,608</u>

See accompanying notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Notes to Financial Statements

(1) DESCRIPTION OF THE TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT

The Tindall Hammock Irrigation and Soil Conservation District ("District") exists pursuant to the provisions of Chapter 98-523, Laws of Florida, as amended, a Special Act of the Florida Legislature. The District was originally formed in 1951 and includes approximately 780 acres in central Broward County, Florida.

The District is a special purpose unit of a local government with powers in the areas of stormwater management, flood control, and utility ownership and operation. Such powers include ability to borrow money and issue bonds or other evidences of indebtedness, levy and impose upon all the lands in the District annual drainage, administrative, and maintenance taxes and impose and foreclose special assessment liens.

On November 3, 2008, the District acquired the operating assets of Ferncrest Utilities, Inc. located in Davie, Florida. On September 30, 2019, the utility had approximately 793 customers for water services and 744 customers for sewer services.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with generally accepted accounting principles ("GAAP") as applied to government units. The Government Accounting Standards Board ("GASB") is the standard-setting body for establishing government accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

(a) Reporting Entity

The District follows the standards promulgated by GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, to define the reporting entity. The District's financial statements include operations for which the District exercises oversight responsibility. Oversight responsibility is demonstrated by financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The District has not identified any component units and is not a participant in any joint-venture; accordingly, operations of no other entities have been included in the financial statements.

The District implemented the requirements of GASB 54 Fund Balance Reporting and Governmental Fund Type Definitions during the year ending September 30, 2011. The District has implemented the requirements of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, during

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Notes to Financial Statements (Continued)

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

the year ended September 30, 2013. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources.

This Statement amends the net asset reporting requirements in Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The District did not have any deferred outflows or deferred inflows of resources as of September 30, 2019.

(b) Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements. The government-wide statements focus on the District as a whole, while the fund financial statements focus on major individual funds.

The government-wide financial statements include a statement of net position and a statement of activities. These statements report information on all activities of the District. Inter-fund activity has been eliminated from these statements. The statement of activities demonstrates the extent to which the expenses of the District are offset by the revenues collected by the District. Revenues collected include the investment income earned during the year.

(c) Major Funds

Governmental Fund Type

Government funds are used to account for the District's expendable financial resources and related liabilities. The following are the District's governmental fund types:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Impact Fee Fund – The Impact Fee Fund is a restricted fund. It is used to account for all fees and expenditures of said fees relating to the charging of an impact fee for water and sewer services

Proprietary Fund Type

Water and Sewer Fund - The Water and Sewer Fund is an enterprise fund established to account for operations that are to be financed and operated in a manner similar to private business enterprises. The costs of providing services to customers are to be recovered primarily through user charges.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Notes to Financial Statements (Continued)

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Governmental fund financial statements are reported using the current financial resources measurement and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers maintenance taxes to be available if they are collected within sixty days of the end of the current fiscal period. A one-year availability period is used for all other revenues.

Revenues susceptible to accrual are maintenance taxes and interest on investments. Maintenance taxes are recorded as revenues in the fiscal year they are levied, provided they are collected in the current period or within sixty days thereafter. Interest on invested funds is recognized when earned.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences, claims and judgments, are recorded only when payment is due.

The Proprietary Fund uses the accrual basis of accounting. Revenue is recognized when earned, and expenses are recognized when incurred.

(e) Budgetary Procedures and Accounting

An annual budget is adopted for the General Fund on a basis consistent with GAAP, except the budgets include encumbrances as the equivalent of expenditures, and do not include revenues and expenditures related to certain special projects. As of September 30, 2019, the "actual budgetary basis" is presented on a basis which is not consistent with GAAP.

Before August of each year, the District Chairman, in conjunction with the District Management Company and the District Attorney, submits to the Board of Supervisors the proposed budget for the fiscal year commencing October 1. The District holds workshops and public hearings on the proposed budget. Prior to the end of each fiscal year, the budget is formally adopted for the ensuing year.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Notes to Financial Statements (Continued)

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Budgetary Procedures and Accounting (continued)

The legal level of control, the level at which expenditures may not exceed the budget, is at the total expenditure level. Should additional expenditures be necessary during the year, the District has the authority to modify the budget by a majority vote of its Board.

(f) Capital Assets and Depreciation

Capital assets, which include land, buildings, infrastructure, machinery and equipment and construction- in-progress are reported in the governmental or business-type activities columns in the government-wide financial statements. All capital assets are valued at historical cost or estimated cost when actual historical cost is not available. Donated and confiscated capital assets are valued at their estimated fair value on the date donated or when awarded by the courts. The District defines capital assets as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Depreciation on all capital assets is charged to operations using the straight-line method over the assets' estimated service lives, ranging from 5 - 40 years.

Maintenance, repairs, and minor renovations are not capitalized. Expenditures that materially increase values or extend useful lives are capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Equipment	5-7
Water and sewer equipment	5-7
Water and sewer infrastructure	15-40
Water Control Structures (Including storm water pump stations)	15-50

Depreciation expense is reflected in the financial statements in accordance with GASB Statement No. 34 requirements for capital assets greater than \$5,000.

(g) Prepaid Expenses/Expenditures

Certain payments reflect costs applicable to a future accounting period and are recorded as prepaid items in both government-wide and fund financial statements.

(h) Accounts Receivable

Accounts receivable reflected in the Water and Sewer Enterprise Fund consist of charges to

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Notes to Financial Statements (Continued)

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Accounts Receivable (continued)

customers for service. As of September 30, 2019, an allowance for doubtful accounts in the amount of \$19,566 is considered necessary.

(i) Encumbrances

For governments that use encumbrance accounting, significant encumbrances should be disclosed in the notes to the financial statements by major funds and non-major funds in the aggregate in conjunction with required disclosures about other significant commitments.

Encumbered amounts for specific purposes for which resources already have been restricted, committed, or assigned should not result in separate display of the encumbered amounts within those classifications. Encumbered amounts for specific purposes for which amounts have not been previously restricted, committed, or assigned should not be classified as unassigned but, rather, should be included within committed-or assigned fund balance. The District includes encumbrances in the committed fund balance. There are no encumbrances outstanding as of September 30, 2019.

(j) Due To/From Other Funds

Short-term inter-fund transactions, when applicable, are recorded by the lending fund as a receivable with a corresponding payable recorded by the borrowing fund. Repayments reduce the corresponding receivable and payable. Inter-fund balances are eliminated in the government-wide financial statements.

(k) Goodwill and Other Intangible Assets

The Utility Company has not amortized Goodwill for all fiscal years since its acquisition, instead it has tested for impairment to Goodwill on an annual basis. Beginning with the year ending September 30, 2017, the Utility Company, in accordance with Accounting Standard Codification (ASC) 350 "Intangibles – Goodwill and Other" has elected to test for impairment only when a triggering event has occurred instead of every year. For the year ended September 30, 2019 there were no such events, and therefore no impairment to goodwill has been recorded.

(l) Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Notes to Financial Statements (Continued)

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Use of Estimates

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

(n) Compensated Absences

The full-time employees of the District can carryover to the following fiscal year up to one year's accrual of their sick leave and vacation benefits. Vacation time is earned based upon length of service, up to a maximum amount of five weeks per year, once the employee has been with the District for twenty-five years, with the exception of employees that are covered by employment agreements. At September 30, 2019, the liability for accrued compensated absences, to be paid within one year, was \$61,853, and is included in contracts payable total on the balance sheet.

(o) Fund Balance

The Governmental Accounting Standards Board (GASB) released GASB Statement No. 54 - "Fund Balance Reporting and Governmental Fund Type Definitions" ("GASB 54") on March 11, 2009 which is effective for fiscal years beginning after June 15, 2010.

This new Statement is intended to improve the usefulness of information reported about fund balance by providing more structured classification and by clarifying the definitions of existing governmental fund types. This Statement applies to fund balance reported in the General Fund, Special Revenue Fund, Debt Service Fund, Capital Projects Fund and Permanent Fund. This Statement does not apply to Enterprise Funds, Internal Service Funds, and restricted reserves.

Previously, fund balance was classified as "reserved" or "unreserved." Unreserved fund balance was further allocated into designated and undesignated. GASB 54 now changes how fund balance will be reported. The hierarchy of the GASB 54 classifications is as follows:

Non-spendable Fund balance includes amounts not in spendable form, such as inventory, or amounts required to be maintained intact legally or contractually. The District uses the consumption method of reporting inventory; therefore, it is not reported as a non-spendable fund balance.

Restricted Fund Balance includes amounts constrained for a specific purpose by external parties.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Notes to Financial Statements (Continued)

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Fund Balance (continued)

Committed Fund Balance includes amounts constrained for a specific purpose by a government using its highest level of decision-making authority. The District's outstanding encumbrances would be included in the committed fund balance. There are no encumbrances outstanding as of September 30, 2019.

Assigned Fund Balance includes general fund amounts constrained for a specific purpose by the District's board.

Unassigned Fund Balance is the residual classification for the general fund.

The District's board approves all transactions that occur with respect to the committed fund balance.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

There was no restatement required to the opening fund balances as a result of the GASB 54 implementation.

(p) Impact of Recently Issued Accounting Pronouncements

The District has not yet determined the impact of GASB pronouncements No. 87 through No. 91 which have been issued but are not yet effective and have not been implemented.

(3) CASH AND INVESTMENTS

Amounts on deposit at a financial institution on September 30, 2019, consisted of the following accounts, which, in addition to being insured by the Federal Deposit Insurance Corp. (FDIC) to \$250,000, are secured by collateralized securities as required under Chapter 280, of the Florida Statutes:

Cash - checking	<u>\$ 5,062,207</u>
	<u>\$ 5,062,207</u>

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Notes to Financial Statements (Continued)

(4) MAINTENANCE TAXES AND SPECIAL ASSESSMENTS

Maintenance taxes and special assessments attach as an enforceable lien on the owners' property as of January 1. The taxes are levied on November 1 and are payable, without penalty, from November 1 to the following March 31. Broward County bills and collects these taxes and assessments and remits these proceeds to the District. Payments made after March 31, are subject to late payment fines. Any amount unpaid as of June 30, result in a tax certificate sale to investors. The District receives its share of the certificate sales which usually reflects the full amount due to then District. There were no material delinquent taxes as of September 30, 2019.

(5) INTER-FUND ADVANCES

The composition of inter-fund balances as of September 30, 2019, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Proprietary Fund	\$6,269,443

The amount receivable in the General Fund represents a working capital transfer to the Proprietary Fund.

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TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Notes to Financial Statements (Continued)

(6) CAPITAL ASSETS

The following summarizes changes in the capital assets:

	Balance 9/30/2018	Reclassifications and Additions	Reclassifications and Deletions	Balance 9/30/2019
Governmental Activities:				
Capital Assets Being Depreciated				
Water control structures	\$ 1,688,769	\$ 794,357	\$ -	\$ 2,483,126
Equipment	243,484	4,596	-	248,080
Total Capital Assets Being Depreciated	1,932,253	798,953	-	2,731,206
Less Accumulated Depreciation				
Water control structures	724,196	41,292	-	765,488
Equipment	231,566	3,112	-	234,678
Total Accumulated Depreciation	955,762	44,404	-	1,000,166
Capital Assets, Net	\$ 976,491	\$ 754,549	\$ -	\$ 1,731,040
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Construction in Progress	\$ 918,375	\$ 201,092	\$ -	\$ 1,119,467
Land	251,324	-	-	251,324
Total Capital Assets Not Being Depreciated	1,169,699	201,092	-	1,370,791
Capital Assets Being Depreciated				
Infrastructure	13,520,353	965,910	-	14,486,263
Equipment	97,161	11,424	-	108,585
Total Capital Assets Being Depreciated	13,617,514	977,334	-	14,594,848
Less Accumulated Depreciation				
Infrastructure	3,379,207	653,289	-	4,032,496
Equipment	63,644	11,729	-	75,373
Total Accumulated Depreciation	3,442,851	665,018	-	4,107,869
Capital Assets, Net	\$ 11,344,362	\$ 513,408	\$ -	\$ 11,857,770

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Notes to Financial Statements (Continued)

(7) RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions and natural disasters for which the District carries commercial insurance.

(8) WATER AND WASTEWATER UTILITY SYSTEM

The District acquired Ferncrest Utilities, Inc. on November 3, 2008, through the issuance of Ad Valorem Tax Bond Anticipation Notes, Series 2008. On November 11, 2008, the District approved resolution 2008-20 which authorized the execution and delivery of a Master Trust Indenture in connection with the issuance of not to exceed \$15,000,000 aggregate principal amount of its Tindall Hammock Irrigation and Soil Conservation District (Davie, Florida) Ad Valorem Tax Bonds, Series 2008 (the "Series 2008 bonds"). As of September 30, 2018, the District had not yet issued any bonds authorized under the resolution.

The District obtained financing for the first phase of the utility system and drainage improvements via the \$3,000,000 Ad Valorem Tax Capital Improvement Note, Series 2010 which was satisfied in the prior fiscal year. In November 2016 the District executed a \$2,000,000 line of credit with BB&T Bank to ensure adequate funding for the remaining capital improvements needed for both the governmental and utility operations. The loan incorporates a twenty-four (24) month draw period for the capital improvements with an option to convert to a five-year term loan at the end of the draw period. As of September 30, 2019, the District has not drawn on the line of credit.

The District's utility service area is located within the Town of Davie ("the Town"). The Town has approved certain land use amendments, and the redevelopment of several larger parcels within the District has led to an increase in both service revenue and taxable value in the current year. As a result of the increasing taxable values the District has been able to reduce the millage rate from the maximum of 6.000 mills in fiscal year 2014 to the current rate of 1.6498 mills for fiscal year 2019. The continuing redevelopment is expected to increase both service revenue and taxable values for several years. The combination of these conditions may provide for further decrease in the millage rate upon completion of the capital improvement plan.

(9) UTILITY PLANT ACCESS

During due diligence of the acquisition of the utility system, the current access to the utility plant had been an issue. Currently, access to the utility plant is through another property owner's private streets. Access is currently available through these private streets and the property owner has made no demands to the District to cease using this access. The District has not been able to obtain a recorded ingress and egress to the plant, however, the District maintains the utility system within the property owner's land and development.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Notes to Financial Statements (Continued)

(10) REGULATORY ISSUES

The District is engaged in certain environmental and regulatory issues that are applicable to the manner in which the District operates its drainage systems and its water and sewer system. The District has approved a multi-year Capital Improvement Program (CIP) which when completed will make all of the District systems compliant with current regulations. The District began implementing the CIP in fiscal year 2014 with the issuance of a bid request and continues in its compliance efforts.

(11) RELATED PARTIES

In accordance with Special Act of the Legislature (Chapter 98-523, Laws of Florida, as amended), the District Board of Supervisors is elected by the owners of land within the District, with each landowners' vote being based on the land area (acres) that each landowner owns. A significant portion of the land within the District is owned by members of the Board of Supervisors and related parties. As a result, certain issues come before the District Board of Supervisors from time to time involving the District and these related parties. When these issues come before the Board involving individuals related to Board Members, the District receives opinions of third parties to provide guidance, advice and recommendations regarding these issues and voting on said issues.

On November 3, 2008, the District entered into an amended and restated lease agreement, with a related party allowing the District to discharge and dispose treated wastewater in accordance with its wastewater and disposal system permit issued by the Florida Department of Environmental Protection into a lake owned by the related party. The lease currently calls for minimum lease payments of \$3,117 per month. The District incurred \$37,333 in lease expense for the period ended September 30, 2019.

(12) SUBSEQUENT EVENTS

The District has performed an evaluation of subsequent events through June 19, 2020, which is the date the financial statements were available for issue.

**REQUIRED SUPPLEMENTARY
INFORMATION OTHER THAN M, D & A
(unaudited)**

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual - General Fund
(Budgetary Basis)
For the fiscal year ended September 30, 2019

	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:			
Maintenance taxes, net of discounts	\$ 1,070,522	\$ 1,035,921	\$ (34,601)
Interest	1,096	1,220	124
	<u>1,071,618</u>	<u>1,037,141</u>	<u>(34,477)</u>
Total revenues			
Operational expenditures:			
Pump repairs and maintenance	74,000	46,461	27,539
Payroll, payroll taxes and fees	30,668	30,695	(27)
Property appraiser and collection fees	18,090	17,328	762
Insurance	11,000	8,633	2,367
Legal advertising	6,000	3,188	2,812
Office Supplies	-	101	(101)
Permits	1,500	-	1,500
Licenses & Fees	175	175	-
Promotional Activities	500	-	500
Postage	200	-	200
Utilities	1,500	481	1,019
	<u>143,633</u>	<u>107,062</u>	<u>36,571</u>
Professional fees:			
Management company	66,000	60,265	5,735
Engineering	100,000	53,617	46,383
Intergovernmental relations	30,000	15,000	15,000
Accounting	22,000	15,413	6,587
Bank Fees	-	3,774	(3,774)
Legal	100,000	100,884	(884)
	<u>318,000</u>	<u>248,953</u>	<u>69,047</u>
Other:			
Hurricane	50,000	-	50,000
Machinery, equipment and infrastructure	100,000	-	100,000
Contingency	50,000	-	50,000
	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Total expenditures	<u>661,633</u>	<u>356,015</u>	<u>305,618</u>
Excess of revenues over expenditures	<u>409,985</u>	<u>681,126</u>	<u>271,141</u>
Net change in fund balance	<u>\$ 409,985</u>	<u>\$ 681,126</u>	<u>\$ 271,141</u>

See accompanying notes to the financial statements.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual - Proprietary Fund
(Budgetary Basis)
For the fiscal year ended September 30, 2019

	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:			
General service revenues	\$ 3,155,000	\$ 3,025,269	\$ (129,731)
Miscellaneous revenues	20,100	36,257	16,157
Interest	36	-	(36)
	<u>3,175,136</u>	<u>3,061,526</u>	<u>(113,610)</u>
Operational expenditures:			
Payroll, payroll taxes, benefits and fees	711,933	691,946	19,987
Other contractual services	24,000	28,140	(4,140)
Engineering expenses	10,000	49,202	(39,202)
Infrastructure	10,000	15,740	(5,740)
Sludge Removal	125,000	86,690	38,310
Water testing	42,000	31,868	10,132
Telephone	9,000	10,871	(1,871)
Electricity	90,000	89,489	511
Purchased water and sewer treatment	255,000	238,754	16,246
Equipment rental	3,500	9,153	(5,653)
Lake rental	37,403	37,333	70
Insurance	57,000	51,582	5,418
Maintenance	105,000	94,117	10,883
Vehicle expense	11,000	8,954	2,046
Generator expense	2,500	11,514	(9,014)
Bad debts	3,000	14,855	(11,855)
Miscellaneous expense	400	-	400
Office Supplies	7,000	5,596	1,404
Postage and delivery expense	6,550	5,706	844
Chemicals	70,000	70,721	(721)
Safety supplies	2,500	1,874	626
Uniforms	1,500	-	1,500
License and fees	20,000	12,073	7,927
Training and seminars	3,600	4,392	(792)
Buildings, machinery and equipment	12,500	-	12,500
	<u>1,620,386</u>	<u>1,570,570</u>	<u>49,816</u>
Excess of revenues over expenditures before other expenses	<u>1,554,750</u>	<u>1,490,956</u>	<u>(63,794)</u>
Other:			
Depreciation	-	(665,018)	(665,018)
	<u>-</u>	<u>(665,018)</u>	<u>(665,018)</u>
Excess of revenues over expenditures	\$ <u>1,554,750</u>	\$ <u>825,938</u>	\$ <u>(728,812)</u>

See accompanying notes to the financial statements.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual – Impact Fee Fund
(Budgetary Basis)
For the fiscal year ended September 30, 2019

	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:			
Impact fee revenue	\$ -	\$ 222,680	\$ 222,680
Other Income	-	-	-
Interest	-	47	47
	<hr/>	<hr/>	<hr/>
Total revenues	-	222,727	222,727
	<hr/>	<hr/>	<hr/>
Operational expenditures:			
Bank Fees	-	-	-
	<hr/>	<hr/>	<hr/>
Total operational expenses	-	-	-
	<hr/>	<hr/>	<hr/>
Excess (deficiencies) of revenues over expenditures	-	222,727	222,727
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Fund transfers	-	-	-
Scheduled debt payments	-	-	-
Debt finance expenses	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing uses	-	-	-
	<hr/>	<hr/>	<hr/>
Net change in fund balance	\$ -	\$ 222,727	\$ 222,727
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

OTHER REPORTS SECTION

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT

**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
For the fiscal year ended September 30, 2019**

**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***

To the Board of Supervisors of the
Tindall Hammock Irrigation and Soil Conservation District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund and the aggregate remaining fund information of Tindall Hammock Irrigation and Soil Conservation District ("the District"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 19, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Lerro & Chandross, PLLC
Certified Public Accountants

June 19, 2020

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT

**INDEPENDENT AUDITOR'S MANAGEMENT LETTER REQUIRED BY
CHAPTER 10.550, RULES OF THE STATE OF FLORIDA OFFICE
OF THE AUDITOR GENERAL**

For the fiscal year ended September 30, 2019

**INDEPENDENT AUDITOR'S MANAGEMENT LETTER REQUIRED BY
CHAPTER 10.550, RULES OF THE STATE OF FLORIDA OFFICE
OF THE AUDITOR GENERAL**

June 19, 2020

To the Board of Supervisors of the
Tindall Hammock Irrigation and Soil Conservation District:

Report on the Financial Statements

We have audited the financial statements of the Tindall Hammock Irrigation and Soil Conservation District, located in Davie, Florida, as of and for the year ended September 30, 2019, and have issued our report thereon dated June 19, 2020.

Auditor's Responsibility

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; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports, if any, which are dated June 19, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

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

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 Tindall Hammock Irrigation and Soil Conservation District was originally established pursuant to the provisions of Chapter 98-523, a Special Act of the Florida Legislature in 1951. There are no component units of the Tindall Hammock Irrigation and Soil Conservation District to be disclosed as required by accounting principles generally accepted in the United States of America.

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 Tindall Hammock Irrigation and Soil Conservation District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Tindall Hammock Irrigation and Soil Conservation District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Tindall Hammock Irrigation and Soil Conservation District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same as of September 30, 2019, and through the date of our audit report, June 19, 2020.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Monthly Financial Statements

Sections 10.554(1)(i)6.a. and 10.556(9), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the District provided monthly financial statements to its governing board and has made such financial statements available for public access on the District's website. In connection with our audit, we determined that the District provided monthly financial statements to its governing board and made such monthly financial statements available for public access on its website.

Transparency

Sections 10.554(1)(i)6.b. and 10.556(9), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the District provided a link on their website to the Florida Department of Financial Service's website to view the District's annual financial report submitted to the Department. In connection with our audit, we determined that the District provided a link on its website to the Florida Department of Financial Service's website.

Sections 10.554(1)(i)6.c. and 10.556(9), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the District posted its tentative and final budgets on its website. In connection with our audit, we determined that the District posted its tentative and final budgets on its website.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address 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 the Board of Supervisors of Tindall Hammock Irrigation and Soil Conservation District, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Lerro & Chandross, PLLC
Certified Public Accountants

**TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
REPORT TO MANAGEMENT**

PART I - CURRENT YEAR COMMENTS AND RECOMMENDATIONS

No comments were noted for the fiscal year ended September 30, 2019.

PART II - STATUS OF PRIOR YEAR COMMENTS AND RECOMMENDATIONS

Not applicable as there were no comments or recommendations in the prior year.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT

**STATEMENT OF EXPLANATION OR REBUTTAL
TO MANAGEMENT LETTER COMMENTS AND RECOMMENDATIONS**

For the fiscal year ended September 30, 2019

There is no response for the current year.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
AFFADAVIT PURSUANT TO SECTION 163.31801 OF THE FLORIDA STATUTES

For the fiscal year ended September 30, 2019

AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Patricia Mahaney, who being duly sworn, deposes and says on oath that:

1. I am the Chief Financial Officer of Tindall Hammock Irrigation and Soil Conservation District which is a special taxing district of the State of Florida;
2. Tindall Hammock Irrigation and Soil Conservation District adopted Resolution No. 2014-05 implementing an impact fee; and
3. Tindall Hammock Irrigation and Soil Conservation District has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.


 Patricia Mahaney, Chief Financial Officer

STATE OF FLORIDA
COUNTY OF BROWARD

SWORN TO AND SUBSCRIBED before me this 19th day of June, 2020.



NOTARY PUBLIC
 Print Name Inusa Rozenman

Personally known or produced identification _____

Type of identification produced: _____

My Commission Expires:

05/25/2024