

**SOUTH DADE SOIL AND WATER CONSERVATION DISTRICT
BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2017**

SOUTH DADE SOIL AND WATER CONSERVATION DISTRICT

**TABLE OF CONTENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

	Page
FINANCIAL SECTION	
Report of Independent Certified Public Accountants	1
Management's Discussion and Analysis	3
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Assets	7
Statement of Activities and Changes in Net Assets	8
Fund financial statements:	
Balance sheet – governmental funds	9
Reconciliation of the balance sheet – governmental funds to the statement of net assets	10
Statement of revenues, expenditures, and changes in fund balance – governmental funds	11
Reconciliation of the statement of revenues, expenditures, and changes in net assets – governmental funds to the statement of activities	12
Notes to the Financial Statements	13
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of revenues, expenditures and changes in fund balance – budget and actual – general fund	21
Notes to required supplementary information	22
COMPLIANCE SECTION	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	23
Management Letter Pursuant to the Rules of the Auditor General for the State of Florida	25
Independent Auditor's Report on District's Compliance with Section 218.415 Florida Statutes, Regarding the Investment of Public Funds	27
Schedule of Findings	28

INDEPENDENT AUDITORS' REPORT



Brunt, Sweeney, Matz, P.A.

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors
South Dade Soil and Water
Conservation District
Florida City, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and general fund, of the South Dade Soil and Water Conservation District (the "District"), as of and for the fiscal year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and general fund of the District as of September 30, 2017, and the respective changes in financial position thereof for the fiscal 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 Schedule on pages 3-6 and 17-18, respectively 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 October 1, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Brunt, Sweeney, Matz, P.A., CPAs

Brunt, Sweeney, Matz, P.A., CPAs
Hollywood, Florida
October 1, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

**SOUTH DADE SOIL AND WATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDING SEPTEMBER 30, 2017**

Financial Highlights

- The liabilities of the South Dade Soil and Water Conservation District, (the District), exceeded its assets at the close of the most recent fiscal year by \$12,371.
- The District's total net position decreased by \$30,215 as compared to the previous fiscal year, which is mainly attributable to lower grant and sales revenues in the current fiscal year.
- As of the close of the current fiscal year, the District's general fund reported an ending fund balance of \$33,161, which represents a decrease of \$19,104, when compared with the prior year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the South Dade Soil and Water Conservation District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements.

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

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

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

The Government-wide financial statements include only the financial information of the District as the District had no legally separate entities or component units at September 30, 2017.

The government-wide financial statements can be found on page 7-8.

Fund financial statements - Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objective. The focus here is on the District's general fund.

Governmental funds - *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at

the end of the fiscal year. Such information may be useful in evaluating an entity's near-term financing requirements. Because this information does not encompass the additional long-term focus of the government-wide financial statements, additional information is provided at the bottom of the governmental funds statement that explains the relationship (or difference) between them.

The basic governmental funds financial statements can be found on page 9-11.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding to the data provided in the government-wide and fund financials. The notes to the financial statements can be found on pages 13-20 of this report.

Government-wide financial analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows \$6,733 at the close of the most recent fiscal year.

The following schedule reflects a summary of Net position compared to that of prior years.

SOUTH DADE SOIL AND WATER CONSERVATION DISTRICT

Summary of Net position

Governmental Activities

	<u>2016</u>	<u>2016</u>	<u>Change</u>	<u>%</u>
Assets				
Current and other assets	\$ 65,811	\$ 96,106	\$ (30,295)	-32%
Capital assets net of depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>0%</u>
Total assets	<u>65,811</u>	<u>96,106</u>	<u>(30,295)</u>	<u>-32%</u>
Liabilities				
Current liabilities	32,650	51,019	(18,369)	-36%
Non-current liabilities	<u>45,532</u>	<u>38,354</u>	<u>7,178</u>	<u>19%</u>
Total liabilities	<u>78,182</u>	<u>89,373</u>	<u>(11,191)</u>	<u>-13%</u>
Net position				
Invested in capital assets	-	-	-	0%
Unrestricted	<u>(12,371)</u>	<u>6,733</u>	<u>(19,104)</u>	<u>284%</u>
Total net position	<u>\$ (12,371)</u>	<u>\$ 6,733</u>	<u>\$ (19,104)</u>	<u>284%</u>

Total assets mainly decreased due to lower cash balances and lower accounts receivable balances. Current liabilities mainly decreased due a decrease in payables. Non-current liabilities increased due to accrual of employee paid leave expenses.

Net position decreased during the current fiscal year as noted previously which was due to greater expenses than revenues.

Changes in Net position

The following schedule compares the revenues and expenses for the current and previous year.

SOUTH DADE SOIL AND WATER CONSERVATION DISTRICT

Changes Net position Governmental Activities

	<u>2017</u>	<u>2016</u>	<u>Change</u>	<u>%</u>
General revenues				
Operating grants and contributions	\$ 349,811	\$ 368,449	\$ (18,638)	-5%
Charges for services	53,599	219,973	(166,374)	-76%
Interest and other	<u>3,532</u>	<u>(858)</u>	<u>4,390</u>	-512%
Total revenues	406,942	587,564	(180,622)	-31%
Expenditures				
Salaries and other staff benefits	295,432	270,974	24,458	-9%
Other operating expenditures	139,807	313,210	(173,403)	-55%
Interest and other expense	<u>1,918</u>	<u>1,575</u>	<u>343</u>	22%
Total expenditures	<u>437,157</u>	<u>585,759</u>	<u>(148,602)</u>	-25%
Change in net position	(30,215)	1,805	(32,020)	-1,774%
Net position beginning	<u>6,733</u>	<u>4,928</u>	<u>1,805</u>	-37%
Prior period adjustment	<u>11,111</u>	<u>-</u>	<u>11,111</u>	100%
Net position ending	<u>\$ (12,371)</u>	<u>\$ 6,733</u>	<u>\$ (19,104)</u>	-284%

Governmental Activities - As noted earlier, governmental activities decreased the District's net position by \$30,215. The decrease was largely due to a decrease in laboratory funding contracts from the State of Florida and a decrease in fertilizer sales as compared to the prior year.

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

As of the end of the current fiscal year, the District's general fund reported an ending fund balance of \$(12,371), a decrease of \$19,104 from the prior fiscal year. Since the District only has one governmental fund the change in fund balance was due to the same reasons noted above for governmental activities in addition to a prior period adjustment of \$11,111. During the year, it was discovered that some balances in accounts payable had been previously paid, but the liability was not relieved from payables. A prior period adjustment of \$11,111 was made to correct the payables balances.

Capital Assets – As of the fiscal year end, the District's capital assets were fully depreciated.

Long-Term Liabilities – As of fiscal year end, the District had long term liabilities consisting of compensated absences of \$15,532 and a long-term note payable of \$30,000.

Request for Information

This financial report is designed to provide a general overview of the South Dade Soil and Water Conservation District's finances and to demonstrate the District's accountability. Questions concerning any information provided in this report or requests for additional financial information should be addressed to South Dade Soil and Water Conservation District, attention Wendy Canty, Administrator; 1450 N. Krome Ave., Suite 104, Florida City, FL 33034.

BASIC FINANCIAL STATEMENTS

**SOUTH DADE SOIL & WATER CONSERVATION DISTRICT
STATEMENT OF NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 37,016
Accounts receivable	28,795
Capital assets - net	<u>-</u>
Total assets	<u><u>\$ 65,811</u></u>
LIABILITIES	
Accounts payable	\$ 31,953
Accrued expenses	697
Non-current liabilities	
Accrued vacation and sick leave	15,532
Note payable	<u>30,000</u>
Total liabilities	<u>78,182</u>
NET ASSETS	
Investment in capital assets	\$ -
Unrestricted	<u>(12,371)</u>
Total net assets	<u><u>\$ (12,371)</u></u>

The accompanying notes are an integral part of these financial statements

**SOUTH DADE SOIL & WATER CONSERVATION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

<u>Function/programs</u>	Expenses	Charges for Services	Operating Grants and Contributions	Net (expense) Revenue and Changes in Net assets Governmental Activities
Primary government				
Governmental activities:				
General government	\$ 435,239	\$ 53,599	\$ 349,811	\$ (31,829)
Total governmental activities	435,239	53,599	349,811	(31,829)
General revenues:				
Interest income				9
Interest expense				(1,918)
Other income				3,523
Total general revenues				1,614
Change in net assets				(30,215)
Net assets - beginning				6,733
Prior period adjustment, see Note 12				11,111
Net assets - ending				\$ (12,371)

The accompanying notes are an integral part of these financial statements

**SOUTH DADE SOIL & WATER CONSERVATION DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Major Funds	Total Governmental Funds
	General	
ASSETS		
Cash	\$ 37,016	\$ 37,016
Accounts receivable	28,795	28,795
Total assets	\$ 65,811	\$ 65,811
LIABILITIES		
Accounts payable	\$ 31,953	\$ 31,953
Accrued expenses	697	697
Total liabilities	32,650	32,650
FUND BALANCES		
Unassigned	33,161	33,161
Total fund balance	\$ 33,161	\$ 33,161
Total liabilities and fund balance	\$ 65,811	\$ 65,811

The accompanying notes are an integral part of these financial statements

**SOUTH DADE SOIL & WATER CONSERVATION DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2017**

Fund balance - governmental funds	\$	33,161
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds</p>		
Cost of capital assets		162,643
Accumulated depreciation		(162,643)
		-
<p>Long-term liabilities, are not due and payable in the current period, and therefore are not reported in the fund statements</p>		
Compensated absences		(15,532)
Note payable		(30,000)
		-
Net assets of governmental activities	\$	(12,371)

The accompanying notes are an integral part of these financial statements

**SOUTH DADE SOIL & WATER CONSERVATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Major Fund	Total Governmental Fund
	General	
Revenues:		
Intergovernmental revenue	\$ 349,811	\$ 349,811
Sales	53,599	53,599
Interest income	9	9
Other revenues	3,523	3,523
Total revenue	406,942	406,942
Expenditures		
Current:		
Cost of sales	22,956	22,956
Salaries and benefits	288,254	288,254
General and administrative	116,851	116,851
Interest expense	1,918	1,918
Total expenditures	429,979	429,979
Excess (deficiency) of revenues over (under) expenditures	(23,037)	(23,037)
Fund balance - beginning	45,087	45,087
Prior period adjustment, see Note 12	11,111	11,111
Fund balance - ending	\$ 33,161	\$ 33,161

The accompanying notes are an integral part of these financial statements

**SOUTH DADE SOIL & WATER CONSERVATION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Net change in fund balances - total governmental funds	\$ (23,037)
Amounts reported for governmental activities in the statement of activities are different because:	
Changes in long-term compensated absences are reflected in the statement of activities but not in the fund financial statements	<u>(7,178)</u>
Change in net assets of governmental activities	<u><u>\$ (30,215)</u></u>

The accompanying notes are an integral part of these financial statements

NOTES TO BASIC FINANCIAL STATEMENTS

**SOUTH DADE SOIL AND WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

1. NATURE OF ORGANIZATION AND REPORTING ENTITY

Reporting Entity - The South Dade Soil and Water Conservation District was organized under Section 582, of the Florida Statutes as a soil and water conservation district. The District is an independent special district located entirely within Miami-Dade County and is a political subdivision of the State of Florida.

Supervisors of the District serve on a voluntary basis and are elected by the citizens within the boundaries of the District. The District through memorandums of understandings, has established a close working relationship with the USDA Soil Conservation Service and other agencies in order to accomplish short term and long term objectives as defined by the Supervisors.

Financial Reporting Entity - As required by generally accepted accounting principles, these basic financial statements present the reporting entity of the District. Component units are legally separate entities for which the government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the District's combined financial statements to be misleading or incomplete. The primary government is considered financially accountable if it appoints a voting majority of an organization's governing body and 1) it is able to impose its will on the organization or 2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the Board. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity financial statements to be misleading or incomplete. Based upon the application of these criteria, there were no organizations which met the criteria described above.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the South Dade Soil and Water Conservation District (the "District") conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Government-wide and fund financial statements - The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The District had no business-type activities as of and for the fiscal year ended September 30, 2017.

**SOUTH DADE SOIL AND WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Major individual governmental funds are reported as separate columns in the fund financial statements. The governmental fund statement includes reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statement for the governmental fund.

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 related cash flows.

The governmental fund financial statements are reported using the *current financial resources measurement focus* 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 revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the District receives cash.

The District reports the following major governmental funds:

The *general fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Cash - The District's cash are considered to be deposits and other highly liquid resources.

Prepaid Expenses - Prepaid expenses consist of certain costs which have been paid prior to the end of the fiscal year but represent items which are applicable to future accounting periods. Reported amounts in governmental funds are equally offset by a non-spendable classification of fund balance, in the fund financial statements, which indicates that these amounts do not constitute available spendable resources" even though they are a component of current assets.

**SOUTH DADE SOIL AND WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets - Capital assets, which include improvements other than buildings, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District, as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as they are completed.

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

<u>Assets</u>	<u>Years</u>
Automobiles	5
Equipment and furniture	5-10

Deferred Revenues - Deferred revenues include amounts collected before revenue recognition criteria are met and receivables, which, under the modified accrual basis of accounting, are measurable, but not yet available. The deferred items consist primarily of grant advances.

Compensated Absences - It is the District's policy to permit employees to accumulate earned but unused vacation pay benefits. Vacation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a liability. Amounts not expected to be liquidated with expendable available financial resources are reported as a reconciling item between the fund and government-wide presentations.

Net position/Fund Balance - In the government-wide financial statements, net position represents the difference between assets and liabilities and are reported in three categories as hereafter described.

- Net position invested in capital assets, net of related debt, represent capital assets, net of accumulated depreciation and any outstanding debt related to those assets.
- Net position is reported as restricted when there are legal limitations imposed on their use by legislation, or external restrictions imposed by other governments, creditors, or grantors.
- Unrestricted net position is net position that does not meet the definitions of the classifications previously described.

**SOUTH DADE SOIL AND WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net position/Fund Balance (continued) - As of September 30, 2017, fund balances of the governmental funds are classified as follows:

Non-spendable - Amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted - Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed - Amounts that can be used only for specific purposes determined by a formal action of the Board of Supervisors. The Board of Supervisors is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board of Supervisors.

Assigned - Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.

Unassigned - All other spendable amounts.

The District has only presented unassigned fund balance which is used for their specific purpose of being a soil and water conservation district.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, and then unrestricted resources as they are needed.

Net Position Flow Assumption - Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide financial statements, a flow assumption must be made about the order in which resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted-net position is applied.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts of assets, liabilities, disclosure of contingent liabilities, revenues, and expenditures/expenses reported in the financial statements and accompanying notes. These estimates include assessing the collectability of receivables and the useful lives of capital assets. Although those estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

**SOUTH DADE SOIL AND WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes - The District is tax-exempt under Section 501(c)(3) of the Internal Revenue Code and is subject to a tax on income from any unrelated business.

The District adopted the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles, with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The District has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates.

The District believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse affect on the District's financial condition, results of operations or cash flows. Accordingly, the District has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax position at September 30, 2017.

The District is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The District believes it is no longer subject to income tax examinations for years prior to 2012.

The District's policy is to classify income tax related interest and penalties in interest expense and other expenses, respectively.

Basis of accounting - The general fund has been accounted for using the modified accrual basis of accounting. Revenues have been recognized in the period in which they became susceptible to accrual, which is when they became measurable and available to pay liabilities of the current period. Revenues are susceptible to accrual when collected in the current year or within 60 days subsequent to year-end, provided that amounts received pertain to billings through the fiscal year just ended. Interest is recorded when earned. Expenditures are recorded when the liability has been incurred.

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The District is subject to various federal, state, and local laws and contractual regulations. The District had no material violations of finance-related legal and contractual obligations, except as disclosed in the schedule of findings and responses.

**SOUTH DADE SOIL AND WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

4. DEPOSITS

Custodial credit risk (deposits) - In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. All of the District's deposits are entirely insured by federal depository insurance or collateralized by the multiple financial institution collateral pool pursuant to Florida Statutes, Chapter 280, "Florida Security for Public Deposits Act." Under the Act, all qualified public depositories are required to pledge eligible collateral having a fair value equal to or greater than the average daily or monthly balance of all public deposits, multiplied by the depository's collateral pledging level.

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets being depreciated:				
Auto & truck	\$ 43,771	\$ -	\$ -	\$ 43,771
Machinery & equipment	<u>118,872</u>	<u>-</u>	<u>-</u>	<u>118,872</u>
Total capital assets being depreciated	162,643	-	-	162,643
Less: Accumulated depreciation	<u>(162,643)</u>	<u>-</u>	<u>-</u>	<u>(162,643)</u>
Net capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

6. ACCRUED VACATION AND SICK LEAVE

Vested and accumulated vacation leave that is expected to be utilized during the year was reported as an expenditure and fund liability of the General Fund. Unused vested and accumulated vacation leave is paid out to the employee upon termination. Sick leave benefits have been accrued since they are expected to be paid when an employee retires or otherwise terminates employment. The following is a summary of changes in accrued vacation and sick leave for the year ended September 30, 2017:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due in less than one year</u>
<u>Governmental activities</u>					
Accrued vacation and sick leave	<u>\$8,354</u>	<u>\$10,480</u>	<u>(\$3,302)</u>	<u>\$15,532</u>	<u>\$ -</u>

**SOUTH DADE SOIL AND WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

7. NOTE PAYABLE

In February 2014, the District entered into an interest only note payable agreement with the Bertha Marie Vick Revocable Trust for \$30,000. Interest is paid monthly at 5.25%. The note matures in February 2018. The outstanding balance at September 30, 2017 was \$30,000.

8. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District purchases commercial insurance for property, general liability, non-ownership automobile liability, and public official's liability. There were no changes in insurance coverage from the prior year and there were no settlements which exceeded insurance coverage.

The District is also covered by Florida Statutes under the Doctrine of Sovereign Immunity which effectively limits the amount of liability of the District to individual claims of \$100,000 and \$200,000 for all claims relating to the same accident.

9. CONTINGENCIES

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the District. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

10. CITY OF HOMESTEAD PROJECT

On March 8, 2012 the District entered into an agreement with the City of Homestead (the "City") for treatment and disposal of bio-solids. The City owns and operates a municipal wastewater treatment facility which annually produces approximately 1,400 cubic yards of bio-solids. The City has agreed to purchase and the District has agreed to install the necessary equipment at the facility in order to treat and convert the bio-solids generated at the facility into Florida Organix, a certified Class AA organic fertilizer to be sold and used for agricultural and landscape purposes. The City is to pay the District \$500,320 for the purchase and installation of the equipment at the facility. The District then agrees to sell the City the equipment at the facility and the City agrees to purchase the equipment for the purchase price and on the terms and conditions set forth in the agreement. The agreement is for a five (5) year term, unless earlier terminated in accordance with the agreement. On or before the expiration of the term, the agreement may be renewed by the City, in its sole and absolute discretion for up to two (2) additional five (5) terms. Total equipment and Florida Organix fertilizer sales for the fiscal year ended September 30, 2017 was \$51,076

**SOUTH DADE SOIL AND WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

11. SUBSEQUENT EVENTS

Management has performed an evaluation of subsequent events up to the date the financial statements were available to be issued, which was October 8, 2018 and had determined that there were no events that would require modification of the financial statements or disclosure in the notes to the financial statements.

12. PRIOR PERIOD ADJUSTMENT

During the year, it was discovered that some balances in accounts payable had been previously paid, but the liability was not relieved from payables. Aa adjustment in the amount of \$11,111 was made to decrease payables and increase net assets/fund balance.

REQUIRED SUPPLEMENTARY INFORMATION

**SOUTH DADE SOIL & WATER CONSERVATION DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Budget		Actual	Variance favorable (unfavorable)
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 226,129	\$ 226,129	\$ 349,811	123,682
Sales	45,798	45,798	53,599	7,801
Interest	-	-	9	9
Other revenues	-	-	3,523	3,523
	<u>271,927</u>	<u>271,927</u>	<u>406,942</u>	<u>135,015</u>
Expenditures:				
Current operating:				
Cost of sales	19,872	19,872	22,956	(3,084)
Salaries and benefits	169,087	169,087	288,254	(119,167)
General and administrative	82,968	82,968	116,851	(33,883)
Interest expense	-	-	1,918	(1,918)
Total expenditures	<u>271,927</u>	<u>271,927</u>	<u>429,979</u>	<u>(158,052)</u>
Excess of expenditures over revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (23,037)</u>	<u>\$ (23,037)</u>

See notes to required supplementary information

**SOUTH DADE SOIL AND WATER CONSERVATION DISTRICT
NOTES TO BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED SEPTEMBER 30, 2017**

BUDGETARY INFORMATION

The following procedures are used to establish the budgetary data reflected in the financial statements: Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

- Prior to August 1 of each year, the Administrator submits to the Board of Supervisors a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing such expenditures.
- The level of control at which expenditures may not exceed budget is at the fund level. The Administrator is authorized to transfer budgeted amounts within the fund with Board of Supervisors approval.

There were no supplemental appropriations for the fiscal year ended September 30, 2017.

1. EXCESSES OF REVENUES OVER EXPENDITURES

For the year ended September 30, 2017, total revenues were \$135,015 more than budgeted due to higher than expected fertilizer sales and payroll reimbursement amounts were not included in budgeted revenues. Total expenditures were \$158,052 more than budgeted largely due to reimbursed payroll expenses were not included in budgeted amounts. Overall, this resulted in an excess of expenditures over revenues of \$23,037 for the year ended September 30, 2017.

COMPLIANCE SECTION



Brunt, Sweeney, Matz, P.A.

Certified Public Accountants

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

To the Board of Supervisors of the
South Dade Soil and Water Conservation District
Florida City, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and general fund of the South Dade Soil and Water Conservation District (the District) , as of and for the fiscal year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 1, 2018.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies.

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*.

We also noted other matters which are not considered significant deficiencies in internal control over financial reporting or compliance matters that we have reported in the schedule of findings and responses.

District's Response to Findings

The District's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 District'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.

Brunt, Sweeney, Matz, P.A., CPAs

Brunt, Sweeney, Matz, P.A., CPAs
Hollywood, Florida
October 1, 2018



Brunt, Sweeney, Matz, P.A.

Certified Public Accountants

MANAGEMENT LETTER REQUIRED BY SECTION 10.550 OF THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

To the Board of Supervisors of the
South Dade Soil and Water Conserva-
tion District Florida City, Florida

We have audited the basic financial statements of South Dade Soil and Water Conservation District (the "District"), as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated October 1, 2018.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the Florida Auditor General. We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports, which are dated September 27, 2017, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditors' reports:

- 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. Corrective actions have not been taken to address significant findings and recommendations made in the preceding annual financial audit report. Findings noted in the two preceding years that were not corrected were as follows:
 - 2015-02 Internal Control over Financial Reporting (2013-01 in 2014 report)
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the District complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., 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 have reported our current year findings and recommendations in the schedule of findings and responses.

- Section 10.554(1)(i)4., 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.
- Section 10.554(1)(i)5., 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. This information is disclosed in the notes to the financial statements.
- Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity 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 District did not meet any of the conditions described in Section 218.503(1), Florida Statutes. To the
- Section 10.554(1)(i)6.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the District for the fiscal year ended September 30, 2017, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2017. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(1)(i)6.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the 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. This assessment was performed as of September 30, 2017.

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

Brunt, Sweeney, Matz, P.A., CPAs

Brunt, Sweeney, Matz, P.A., CPAs
Hollywood, Florida
October 1, 2018



Brunt, Sweeney, Matz, P.A.

Certified Public Accountants

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF SECTION 218.415 FLORIDA STATUTES IN ACCORDANCE WITH CHAPTER 10.550, RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

To the Board of Supervisors of the
South Dade Soil and Water Conservation District

We have audited the basic financial statements of South Dade Soil and Water Conservation District (the "District") compliance with the requirements of Section 218.415 Florida Statutes during the fiscal year ended September 30, 2017. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance 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 District'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 fiscal year ended September 30, 2017.

Brunt, Sweeney, Matz, P.A., CPAs

Brunt, Sweeney, Matz, P.A., CPAs
Hollywood, Florida
October 1, 2018

**SOUTH DADE SOIL AND WATER CONSERVATION DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2017**

A. CURRENT YEAR FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS

SIGNIFICANT DEFICIENCIES

2017-01 Accounts Payable

Criteria: Prudent policies include a regular review of accounts payable balances to ensure that they are correctly stated.

Condition: During the course of our audit it was discovered that there were several accounts payable balances that had previously been paid and necessitated a prior period adjustment to correct the balances.

Cause: The payment of invoices is not being properly recorded in QuickBooks.

Effect: Balances of accounts payable and expenses may be misstated.

Recommendation: We recommend a detailed analysis of all outstanding payables be performed on a monthly or quarterly basis. This analysis should be reviewed by a supervisory Finance staff to ensure accurate recording of transactions. An analytical review of account balances with the prior year balances prior to closing the books and records to facilitate determining any unusual balances that need to be adjusted.

View of Responsible Officials and Planned Corrective Actions: Accounts payable procedures will be reviewed and training procedure will be implemented to prevent this from happening in the future.

2015-02 Internal Control over Financial Reporting (Repeated)

Criteria: Prudent policies include a formal closing process with supervisory Finance personnel being responsible for the review of transactions and balances recorded. Timeliness of closing procedures is crucial to proving accurate accounting data and financial information including interim and year-end financial statements.

Condition: During the course of our audit procedures there were multiple auditor adjusting entries proposed to correct errors from the start of the fieldwork which necessitated additional procedures and delayed the completion of the audit. There were numerous errors encountered in the recording of transactions.

Cause: Controls over transaction recording are not being implemented.

Effect: Multiple account balances were not properly stated increasing the risk of material misstatement.

**SOUTH DADE SOIL AND WATER CONSERVATION DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2017**

Recommendation: We recommend a detailed general ledger account analysis of all accounts be performed on a monthly or quarterly basis in a timely manner. This analysis should be reviewed by a supervisory Finance staff to ensure accurate recording of transactions. An analytical review of account balances with the prior year balances prior to closing the books and records to facilitate determining any unusual transactions that need to be adjusted.

View of Responsible Officials and Planned Corrective Actions: An accountant was contracted on an "as needed" basis to review the QBs transaction. The accountant will continue to be used as funds are available to pay him.

**SOUTH DADE SOIL AND WATER CONSERVATION DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2017**

B. STATUS OF PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS

SIGNIFICANT DEFICIENCIES

2015-01 Capital Assets and Depreciation

Condition: During our testing we noted that the District had not recorded depreciation for the year.

Cause: The District does not maintain a fixed asset detail and depreciation schedule.

Effect: Fixed assets were overstated and depreciation expense was understated on the government-wide financial statements.

Recommendation: We recommend that the District maintain a fixed asset detail and depreciation schedule, update it on a regular basis for purchases of assets and record depreciation expense on a monthly basis.

Current year status: The District did not have a detail listing of fixed assets as of year-end. However, all assets have been fully depreciated, and no new assets were purchased during the year.

View of Responsible Officials Planned Corrective Actions: This information will be forward to the CPA hired and will have him update the capital assets and depreciation expenses.