

2021

Dog Island Conservation District

Financial Statements and
Independent Auditor's Report

September 30, 2021

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

**DOG ISLAND CONSERVATION DISTRICT
DOG ISLAND, FLORIDA**

SEPTEMBER 30, 2021

TABLE OF CONTENTS

Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-5
Financial Statements	
Statements of Net Position.....	6
Statements of Activities.....	7
Balance Sheets - Governmental Fund Type - General Fund.....	8
Reconciliation of the Balance Sheets of the Governmental Fund to the Statements of Net Position.....	9
Statements of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund Type - General Fund	10
Reconciliation of the Statements of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Statements of Activities.....	11
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund.....	12
Notes to Financial Statements.....	13-19
Additional Elements of Report Prepared in Accordance With <i>Government Auditing Standards</i>, Issued by the Comptroller General of the United States; and the <i>Rules of the Auditor General of the State of Florida</i>	
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 <i>Government Auditing Standards</i>	20-21
Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes – Investment of Public Funds.....	22
Management Letter.....	23-24

INDEPENDENT AUDITOR'S REPORT

Dog Island Conservation Board
Dog Island Conservation District
Dog Island, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of Dog Island Conservation District, Dog Island, Florida (the District) as of and for the year ended September 30, 2021, 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.

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Dog Island Conservation Board
Dog Island Conservation District
Dog Island, Florida

INDEPENDENT AUDITOR'S REPORT

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 major fund of the District, as of September 30, 2021, and the respective changes in financial position and budgetary comparison for the General Fund, 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 on pages 3 through 5 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 May 23, 2022, 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.

Report on Summarized Comparative Information

We have previously audited the District's 2020 financial statements and our report, dated June 14, 2021, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein, as of and for the year ended September 30, 2020, is consistent, in all material respects, with the audited financial statements from which it was derived.



May 23, 2022
Tallahassee, Florida

**DOG ISLAND CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

Management is pleased to offer the following assessment of the business operations of the Dog Island Conservation District, for the year ended September 30, 2021:

Goals established and achieved for the Dog Island Conservation District (the District) for the fiscal year 2020-2021 included: (1) maintain the Carrabelle River ferry facility and parking area to serve the needs of District operations, District property owners, and contractors; (2) maintain the Tyson Harbor ferry dock and parking area to serve the needs of District operations, District property owners, and contractors; (3) continue regular efforts to repair and stabilize the existing island infrastructure, including roads, docks and airstrip; (4) work with Nature Conservancy and other environmental entities concerning management of Jeff Lewis Wilderness Preserve and nearby areas; (5) continue all maintenance and repair activities for dumpbed/hooklift truck, landing craft (LCM), trash compaction and transport equipment, maintenance shop building, tractor and District vehicles, tools and equipment; and (6) conduct extensive response activities regarding debris removal and infrastructure repair related to damage from Hurricane Michael. Additional repair and improvement activities regarding the two dock facilities will occur as needed for safe and efficient operations. The hooklift truck was acquired in 2007. Repairs/maintenance are ongoing involving that vehicle and a range of other essential elements of District equipment.

Due to continuing budgetary limitations, goals for fiscal year 2021-22 will focus on the following: (1) activities to repair and stabilize existing island infrastructure, including roads, docks, and airstrip; (2) maintain landing craft (LCM), docking facilities; (3) make scheduled and non-scheduled maintenance and operational improvements to LCM which is used to transport vehicles, equipment and supplies to the island from the mainland; (4) continue and seek to increase activities in the area of Island Stewardship, including coordination with organizations, such as The Nature Conservancy, The Audubon Society, and The Alachua Conservation Trust; (5) continue all maintenance and repair activities for utility tractor, dumpbed/hooklift truck, LCM and associated electronic/navigation devices, trash compaction and transport equipment, maintenance shop building, and other District vehicles, tools and equipment; (6) Obtain grant for removal of remaining Hurricane Michael debris and dune restoration, including the planting of sea oats; (7) Work with Franklin County to explore the acquisition of a new tractor to be used to repair island infrastructure, including roads as well as for removal of junk vehicles; and (8) ensure that power poles serving the ferry docks in Carrabelle and on Dog Island are operational in order to better serve Island residents and to provide additional security for vehicles parked at the dock in Carrabelle.

Increased focus on protection of island ecology and improved/expanded educational efforts involving island residents, as well as visitors, have been initiated by the District, and are projected to continue going forward. Additional planting of sea oats and the installation of sand fence to restore and stabilize dunes is anticipated in the coming year. The District also has initiated efforts to increase island signage in support of conservation efforts.

Financial Highlights:

- Assets of the District exceeded its liabilities at September 30, 2021, by \$543,705. The District continues to invest in improvement of island facilities to better serve the needs of District property owners.

**DOG ISLAND CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

- As of September 30, 2021, the District recorded revenues in excess of expenses by \$4,135, primarily related to depreciation of the District's capital assets.

Overview of the Financial Statements

This management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. These basic financial statements consist of a balance sheet, which depicts the assets and liabilities of the District at September 30, 2021, and an income statement, which depicts the source and amount of annual revenues and expenditures. These statements are presented on an accrual basis of accounting and are intended to accurately reflect the general activities of the District as they relate to the District's advertised budget for the year. The primary sources of revenue for the District consist of tax revenues and road use fees. Limited road use/impact fees are collected for the purpose of addressing road impacts from vehicles and are collected at the time of transportation of vehicles to the island by the District-owned LCM.

These fees are designated for maintenance and operation of the LCM and the road system on the island. Fees collected in excess of the costs associated with this maintenance are placed in a designated fund for use in future years. There were no excess road use fees for the fiscal year ended September 30, 2021.

CONDENSED FINANCIAL STATEMENTS

**NET POSITION
SEPTEMBER 30, 2021**

Assets	<u>2021</u>	<u>2020</u>
Current Assets	\$ 110,035	\$ 94,096
Capital Assets	<u>437,717</u>	<u>451,503</u>
Total Assets	<u>547,752</u>	<u>545,599</u>
Liabilities		
Current Liabilities	<u>4,047</u>	<u>6,029</u>
Total Liabilities	<u>4,047</u>	<u>6,029</u>
Net Position		
Investment in Capital Assets	437,717	451,503
Unrestricted	<u>105,988</u>	<u>88,067</u>
Total Net Position	<u>\$ 543,705</u>	<u>\$ 539,570</u>

**DOG ISLAND CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

**CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Revenues	<u>2021</u>	<u>2020</u>
Program Revenues:		
Charges for Services	\$ 35,471	\$ 32,083
General Revenues:		
Property Taxes	99,739	95,990
Intergovernmental	448,077	77,054
Interest Income	346	788
Other	<u>53,440</u>	<u>13,300</u>
Total Revenues	<u>637,073</u>	<u>219,215</u>
Expenses		
General Government	36,564	35,854
Physical Environment	455,283	25,355
Public Safety	1,000	1,000
Transportation	<u>140,091</u>	<u>126,369</u>
Total Expenses	<u>632,938</u>	<u>188,578</u>
Change in Net Position	<u>4,135</u>	<u>30,637</u>
Net Position, Beginning of Year	<u>539,570</u>	<u>508,933</u>
Net Position, End of Year	<u>\$ 543,705</u>	<u>\$ 539,570</u>

Financial Analysis of Dog Island Conservation District's Governmental Activities

Net Position: The District's net position increased by \$4,135 during fiscal year 2020-2021. Intergovernmental revenues increased by \$371,023 due to a grant from the National Fish and Wildlife Foundation for clean-up on the Island from Hurricane Michael, with a corresponding increase in physical environment expenses of \$429,928.

Request for Information

This report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information in this report, or requests for additional information should be addressed as follows:

Treasurer
Dog Island Conservation District
P.O. Box 14288
Tallahassee, FL 32317-4288

STATEMENTS OF NET POSITION
SEPTEMBER 30, 2021,
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2020
DOG ISLAND CONSERVATION DISTRICT - DOG ISLAND, FLORIDA

ASSETS

	Governmental Activities	
	2021	2020
Current Assets		
Cash and Cash Equivalents	\$ 44,448	\$ 28,611
Investments	65,512	65,410
Other Assets	75	75
Total Current Assets	110,035	94,096
Non-Current Assets		
Capital Assets:		
Land	218,470	218,470
Buildings and Equipment, Net of Depreciation	219,247	233,033
Total Non-Current Assets	437,717	451,503
Total Assets	547,752	545,599

LIABILITIES AND NET POSITION

Current Liabilities		
Accounts Payable and Accrued Expenses	4,047	6,029
Total Liabilities	4,047	6,029
Net Position		
Investment in Capital Assets	437,717	451,503
Unrestricted	105,988	88,067
Total Net Position	\$ 543,705	\$ 539,570

See accompanying notes.

STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021,
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2020
DOG ISLAND CONSERVATION DISTRICT - DOG ISLAND, FLORIDA

<u>Function Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>	
		<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>	<u>2021</u>	<u>2020</u>
Governmental Activities					
General Government	\$ 36,564	\$ -	\$ -	\$ (36,564)	\$ (35,854)
Physical Environment	455,283	13,006	448,077	5,800	63,882
Public Safety	1,000	-	-	(1,000)	(1,000)
Transportation	140,091	22,465	-	(117,626)	(106,469)
Total Governmental Activities	<u>\$ 632,938</u>	<u>\$ 35,471</u>	<u>\$ 448,077</u>	<u>(149,390)</u>	<u>(79,441)</u>
General Revenues					
Property Taxes				99,739	95,990
Interest				346	788
Miscellaneous				53,440	13,300
Total General Revenues				<u>153,525</u>	<u>110,078</u>
Change in Net Position				4,135	30,637
Net Position, Beginning of Year				<u>539,570</u>	<u>508,933</u>
Net Position, End of Year				<u>\$ 543,705</u>	<u>\$ 539,570</u>

See accompanying notes.

BALANCE SHEETS
GOVERNMENTAL FUND TYPE - GENERAL FUND
SEPTEMBER 30, 2021,
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2020
DOG ISLAND CONSERVATION DISTRICT - DOG ISLAND, FLORIDA

	<u>2021</u>	<u>2020</u>
Assets		
Cash and Cash Equivalents	\$ 44,448	\$ 28,611
Investments	65,512	65,410
Other Assets	75	75
Total Assets	<u>110,035</u>	<u>94,096</u>
 Liabilities and Fund Balance		
Liabilities		
Accounts Payable	4,047	6,029
Total Liabilities	<u>4,047</u>	<u>6,029</u>
 Fund Balance		
Unassigned	105,988	88,067
Total Fund Balance	<u>105,988</u>	<u>88,067</u>
 Total Liabilities and Fund Balance	<u>\$ 110,035</u>	<u>\$ 94,096</u>

See accompanying notes.

**RECONCILIATION OF THE BALANCE SHEETS OF THE
GOVERNMENTAL FUND TO THE STATEMENTS OF NET POSITION
SEPTEMBER 30, 2021,
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2020
DOG ISLAND CONSERVATION DISTRICT - DOG ISLAND, FLORIDA**

	2021	2020
Total Fund Balance of Governmental Fund	\$ 105,988	\$ 88,067
 Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund.	437,717	451,503
Net Position of Governmental Activities	\$ 543,705	\$ 539,570

See accompanying notes.

STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND TYPE - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021,
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2020
DOG ISLAND CONSERVATION DISTRICT - DOG ISLAND, FLORIDA

	<u>2021</u>	<u>2020</u>
Revenues		
Taxes	\$ 99,739	\$ 95,990
Intergovernmental	448,077	77,054
Charges for Services	35,471	32,083
Miscellaneous	53,786	14,088
Total Revenues	<u>637,073</u>	<u>219,215</u>
Expenditures		
Current:		
General Government	36,564	35,854
Physical Environment	455,283	25,355
Public Safety	1,000	1,000
Transportation	103,527	80,982
Capital Outlay	22,778	-
(Total Expenditures)	<u>(619,152)</u>	<u>(143,191)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	17,921	76,024
Fund Balance, Beginning of Year	<u>88,067</u>	<u>12,043</u>
Fund Balance, End of Year	<u>\$ 105,988</u>	<u>\$ 88,067</u>

See accompanying notes.

**RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO
THE STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021,
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2020
DOG ISLAND CONSERVATION DISTRICT - DOG ISLAND, FLORIDA**

	2021	2020
Net Change in Fund Balances - Total Governmental Fund	\$ 17,921	\$ 76,024
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Capital outlay, reported as expenditures in governmental funds, is shown as capital assets in the statements of activities.	22,778	-
Depreciation expense on governmental capital assets is included in the governmental activities in the statement of activities.	(36,564)	(45,387)
Change in Net Position of Governmental Activities	\$ 4,135	\$ 30,637

See accompanying notes.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021
DOG ISLAND CONSERVATION DISTRICT - DOG ISLAND, FLORIDA

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Taxes	\$ 97,780	\$ 97,780	\$ 99,739	\$ 1,959
Intergovernmental	-	443,500	448,077	4,577
Charges for Services	40,100	40,100	35,471	(4,629)
Miscellaneous	27,000	35,500	53,786	18,286
Total Revenues	<u>164,880</u>	<u>616,880</u>	<u>637,073</u>	<u>20,193</u>
Expenditures				
Current:				
General Government	46,880	44,880	36,564	8,316
Physical Environment	32,000	459,000	455,283	3,717
Public Safety	1,000	1,000	1,000	-
Transportation	113,000	110,000	103,527	6,473
Capital Outlay	2,000	29,400	22,778	6,622
(Total Expenditures)	<u>194,880</u>	<u>644,280</u>	<u>619,152</u>	<u>25,128</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(30,000)	(27,400)	17,921	45,321
Fund Balance, Beginning of Year	<u>30,000</u>	<u>27,400</u>	<u>88,067</u>	<u>60,667</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105,988</u>	<u>\$ 105,988</u>

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS
DOG ISLAND CONSERVATION DISTRICT - DOG ISLAND, FLORIDA

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

Dog Island Conservation District, Dog Island, Florida (the District) is an independent special district created by Special Act of the Legislature of the State of Florida in Chapter 75-374, as amended. The expressed purpose of this legislation was to have the District guide the coordinated, balanced, and harmonious development of Dog Island in Franklin County, Florida. The District is to promote the health, safety, and welfare of both visitors and property owners and, in addition, to maintain and preserve aesthetic values and the display of such attractiveness and to prevent congestion and the destruction of natural beauty.

The governing body to the District is the Dog Island Conservation Board consisting of five directors. The directors serve terms of two years with no more than three terms ending in any one year. Each director must be a citizen of the United States and the owner of fee simple title to real estate located in the District.

The accounting policies of the District conform to generally accepted accounting principles applicable to governmental entities.

There are no agencies, boards, or authorities which are controlled by or dependent upon the District.

Government-Wide and Fund Financial Statements

The District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*. The basic financial statements consist of the government-wide financial statements and fund financial statements. The government-wide financial statements required under this Statement (the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District.

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 charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements (fund financial statements) are provided for governmental funds. A reconciliation is provided that converts the results of governmental fund accounting to the government-wide presentations. The District reports one governmental fund.

Basis of Presentation

■ **Governmental Fund Type**

General Fund is used to account for all financial resources of the District, which includes general government, transportation, and fire protection.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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.

NOTES TO FINANCIAL STATEMENTS
DOG ISLAND CONSERVATION DISTRICT - DOG ISLAND, FLORIDA

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized in the accounting period in which they become both available and measurable (flow of current financial resources measurement focus). The basis of accounting determines when transactions and economic events are reflected in the financial statements, and measurement focus identifies which transactions and events should be recorded.

Revenues are measurable when they are subject to reasonable estimation, while the available criterion is satisfied when revenues are collectible during the period and actual collection will occur either: a) during the current period; or b) after the end of the period, but in time to pay fund liabilities. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures, if measurable, are recorded when they have used or are expected to use current expendable financial resources.

Budget

An annual budget was adopted by the District for the fiscal year ended September 30, 2021. Budget amounts presented in the accompanying financial statements are shown as amended by the District. All appropriations lapse at the close of the fiscal year to the extent that they have not been expended.

Service Revenue

The General Fund collects service revenue for the use of the airport, roads, and waste disposal. These fees are recorded as revenue in the fiscal year in which they are earned.

Accounts Receivable

Accounts receivable are stated at their estimated net realizable value.

Capital Assets

Capital assets, which include property and equipment, are reported in the governmental activities columns in the government-wide financial statements. Property and equipment are depreciated using the straight-line method over the following useful lives:

Assets	Years
Machinery, Equipment, and Vehicles	5-10
Docks	10-20

Property Taxes

The tax levy of the District is established by the Dog Island Conservation Board prior to October 1 of each year. The District established a property tax levy of four mills for the 2020-21 fiscal year. Property taxes are billed and collected for the District by the Franklin County Tax Collector according to Florida Statute, under the following calendar:

Lien Date	January 1
Levy Date	October 1
Due Date	November 1
Delinquency Date	April 1, of the Following Year

NOTES TO FINANCIAL STATEMENTS
DOG ISLAND CONSERVATION DISTRICT - DOG ISLAND, FLORIDA

Encumbrances

The District does not use the encumbrance method of accounting.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total. Such information does not constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended September 30, 2020, from which the summarized information was derived.

Fund Balances

■ **Classifications**

The District has implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), as required. The purpose of GASB 54 is to improve the consistency and usefulness of fund balance information to the financial statement user. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the organization is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – non-spendable, restricted, committed, assigned, and unassigned.

- **Non-Spendable**—This component of fund balance consists of amounts that cannot be spent because: a) they are not expected to be converted to cash, or b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund.
- **Restricted**—This component of fund balance consists of amounts that are constrained either: a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments), or b) by law through constitutional provisions or enabling legislation.
- **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., ordinance or resolution) of the organization's governing authority (the Board). These committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (e.g., ordinance or resolution) employed to constrain those amounts.
- **Assigned**—This component of fund balance consists of amounts that are constrained by a less-than-formal action of the organization's governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. In addition, residual balances in capital projects and debt service funds are considered assigned for the general purpose of the respective fund.
- **Unassigned**—This classification is used for: a) negative unrestricted fund balances in any governmental fund, or b) fund balances within the General Fund that are not restricted, committed or assigned.

NOTES TO FINANCIAL STATEMENTS
DOG ISLAND CONSERVATION DISTRICT - DOG ISLAND, FLORIDA

■ **Flow Assumptions**

When multiple categories of fund balance are available for expenditures, the District will start with the most restricted category. Unassigned fund balance is used when expenditures are incurred for purposes which amounts in any classification could be used.

Note 2 - Deposits and Investments

All cash consists of monies held in checking accounts. At September 30, 2021, the carrying amount of the District’s deposits was \$44,448 and the bank balance was \$47,086. These funds were held by a qualified public depository within the State of Florida and are fully insured.

Investments consist of amounts held by the State Board of Administration (SBA). General Fund investments at year-end were \$65,512. The investments with SBA, an investment pool maintained by the State of Florida, are recorded at amortized cost which approximates market value.

The total cash and cash equivalents and investment balances of the District at September 30, 2021, are comprised of the following items:

	<u>Amount</u>	<u>Credit Rating</u>	<u>Investment Maturity</u>
Cash and Cash Equivalents			
Petty Cash – In Checking	\$ 1,017		
Cash in Checking	43,431		
Total Cash and Cash Equivalents	44,448		
Investments			
Investments with State Board of Administration:			
Florida PRIME	65,512	AAAm (S&P)	Less Than 1 Year
Total Investments	65,512		
Total Cash, Cash Equivalents, and Investments	\$ 109,960		

Authorized Investments

Florida Statute 218.415 authorizes the District to invest in state pools and obligations of the United States Treasury and agencies. The District’s investment policy is not more restrictive than Florida Statutes. Investments of \$65,512 represent amounts held with the Florida State Board of Administration, Local Government Surplus Funds Trust (PRIME Fund). The fund invests in money market and U.S. treasury notes, collateralized mortgage obligations, asset backed securities, agency notes, agency ARM pass-through, corporate bonds, government related securities, and certificates of deposit. This fund is carried at amortized cost. Amortized cost includes accrued income and is a method of calculating an investment’s value by adjusting its acquisition cost for amortization of discount or premium over the period from purchase to maturity. Thus, the balance in the fund is its fair value.

The SBA’s interpretation of GASB Statement No. 79 is that the Florida PRIME investment pool currently meets all necessary criteria to measure its investments at amortized cost. Therefore, as a participant in the SBA’s Florida Prime investment pool, the District’s investments in Florida PRIME were also measured at amortized cost for fiscal year 2020-21. For Florida PRIME, with regard to redemption gates,

NOTES TO FINANCIAL STATEMENTS
DOG ISLAND CONSERVATION DISTRICT - DOG ISLAND, FLORIDA

Chapter 218.409(8)(a), Florida Statutes, states, “The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the Executive may extend the moratorium until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.” With regard to liquidity fees, Florida Statutes 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made. As of September 30, 2021, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value.

Risk Disclosure

The following items discuss the District’s exposure to various risks associated with investments:

- *Credit Risk*—The District minimizes credit risk, the risk of loss due to failure of the security, by limiting investments to authorized investments. The PRIME Fund is rated by Standards & Poors. The current rating is AAAM. The Investment Manager of Florida PRIME manages credit risk by purchasing only high-quality securities, performing a credit analysis to develop a database of issuers and securities that meet the Investment Manager’s minimum standard and by regularly reviewing the portfolio’s securities financial data, issuer news and developments, and ratings of the nationally recognized statistical rating organizations.
- *Interest Rate Risk*—The District manages its exposure to declines in fair values of investments by investing operating funds primarily in short-term securities and the SBA Florida PRIME. The weighted average days to maturity of the PRIME Fund at September 30, 2021, was 49 days. Next interest rate reset dates for floating rate securities are used in the calculation of the weighted average days to maturity.
- *Custodial Credit Risk*—Investments are subject to custodial credit risk if the securities are uninsured, not registered in the District’s name, and held by the party that either sells to or buys for the District. No investments held at year-end were subject to custodial credit risk. The SBA Florida PRIME does participate in securities lending, but the District owns shares of the Florida PRIME and not the underlying investments. Neither the District nor Florida PRIME has participated in securities lending program in the fiscal year ended September 30, 2021.

Note 3 - Property and Equipment

The following is a schedule of changes in property and equipment for the period ended September 30, 2021:

NOTES TO FINANCIAL STATEMENTS
DOG ISLAND CONSERVATION DISTRICT - DOG ISLAND, FLORIDA

	Balance October 1, 2020	Additions	(Deletions)	Balance September 30, 2021
Property and Equipment				
Land	\$ 218,470	\$ -	\$ -	\$ 218,470
Buildings and Equipment	921,672	22,778	-	944,450
Accumulated Depreciation	(688,639)	(36,564)	-	(725,203)
Property and Equipment, Net	<u>\$ 451,503</u>	<u>\$ (13,786)</u>	<u>\$ -</u>	<u>\$ 437,717</u>

Depreciation expense was charged to functions as follows:

Physical Environment	\$ 1,450
Transportation	<u>35,114</u>
Total Depreciation Expense	<u>\$ 36,564</u>

Note 4 - Debt

As of September 30, 2021, the District had no outstanding debt obligations.

Note 5 - Detail of Expenditures - Budget and Actual

	Budget	Actual	Variance Favorable (Unfavorable)
General Government			
Administrative Expense	\$ 31,000	\$ 29,047	\$ 1,953
Non-Allocated Expense	5,700	5,452	248
Election	1,000	-	1,000
Contingency	<u>7,180</u>	<u>2,065</u>	<u>5,115</u>
Total General Government	<u>44,880</u>	<u>36,564</u>	<u>8,316</u>
Physical Environment			
Garbage Truck	8,000	11,413	(3,413)
Solid Waste Removal	8,800	5,230	3,570
Island Steward	3,500	10	3,490
Hurricane Response	<u>438,700</u>	<u>438,630</u>	<u>70</u>
Total Physical Environment	<u>459,000</u>	<u>455,283</u>	<u>3,717</u>
Public Safety			
Fire Department Grant	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Transportation			
Airfield Expense	6,000	5,670	330
Roads	60,000	59,951	49
Dock Expense	5,200	4,357	843
LCM Operations	5,000	4,063	937
LCM Repairs	10,800	9,068	1,732
Submerged Land Lease	3,000	2,773	227
Workshop	3,000	1,345	1,655
Ferry Services	<u>17,000</u>	<u>16,300</u>	<u>700</u>
Total Transportation	<u>110,000</u>	<u>103,527</u>	<u>6,473</u>
Capital Outlay	<u>29,400</u>	<u>22,778</u>	<u>6,622</u>
Total Expenditures	<u>\$ 644,280</u>	<u>\$ 619,152</u>	<u>\$ 25,128</u>

NOTES TO FINANCIAL STATEMENTS
DOG ISLAND CONSERVATION DISTRICT - DOG ISLAND, FLORIDA

Note 6 - Personnel

The District does not currently have any salaried employees. All services provided are performed by independent contractors to the District.

Note 7 - Risk Management

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District maintains commercial insurance coverage covering each of the above risks of loss. Management believes that the coverage is adequate to preclude any significant uninsured risk exposure to the District. Insurance claims made by the District have not exceeded coverage for the last three fiscal years.

Note 8 - Subsequent Events

The District has contracted to purchase 40 acres of undeveloped land on the island. If purchased, a conservation easement will be placed on the property to ensure that the land will remain undeveloped permanently. The District has until June 30, 2022 to accumulate \$600,000 to purchase the land. As of May 23, 2022, the District has received \$274,550 in cash donations from residents and non-profit organizations. In addition, one resident donated a piece of property and the house standing on that property to the District to be sold, with the proceeds to be used to purchase the undeveloped land. The estimated value of the property is \$255,000. The District took legal possession of the house and associated land on April 28, 2022. As of the date of this report the property had not been sold.

**ADDITIONAL ELEMENTS OF REPORT PREPARED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*, ISSUED
BY THE COMPTROLLER GENERAL OF THE UNITED STATES; AND
THE *RULES OF THE AUDITOR GENERAL* OF THE STATE OF FLORIDA**

**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**

Dog Island Conservation Board
Dog Island Conservation District
Dog Island, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and major fund of Dog Island Conservation District, Dog Island, Florida (the District) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon May 23, 2022.

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) as a basis for designing 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 over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Dog Island Conservation Board
Dog Island Conservation District
Dog Island, Florida

**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**

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, non-compliance with which could have a direct and material effect on the financial statements. 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 non-compliance 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 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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the District's management, the Florida Auditor General, and applicable state agencies providing assistance and is not intended to be, and should not be, used by anyone other than these specified parties.



May 23, 2022
Tallahassee, Florida

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE
WITH SECTION 218.415, FLORIDA STATUTES – INVESTMENT OF PUBLIC FUNDS**

Dog Island Conservation Board
Dog Island Conservation District
Dog Island, Florida

We have examined Dog Island Conservation District, Dog Island, Florida's (the District) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, as of and for the year ended September 30, 2021, as required by Section 10.556(10)(a), *Rules of the Auditor General*. 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risk of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide legal determination of the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2021.

This report 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 District and its management, and the Dog Island Conservation Board of Dog Island, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.



May 23, 2022
Tallahassee, Florida

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MANAGEMENT LETTER

Dog Island Conservation Board
Dog Island Conservation District
Dog Island, Florida

Report on the Financial Statements

We have audited the financial statements of Dog Island Conservation District, Dog Island, Florida (the District), whose headquarters are located in Dog Island, Florida, as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated May 23, 2022.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's 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*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated May 23, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The District was established by Special Act of the Legislature of the State of Florida in Chapter 75-374, as amended. There were no component units related to the District.

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Dog Island Conservation Board
Dog Island Conservation District
Dog Island, Florida

MANAGEMENT LETTER

Financial Condition and Management

Sections 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 District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the 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 for the District. 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.

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

Special District Component Units

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

UNAUDITED

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General*, the District reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year was 0. The District has no employees.
- b. The total number of independent contractors to whom non-employee compensation was paid in the last month of the district's fiscal year was 4.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency was \$0. As noted above, the District has no employees of its own.
- d. All compensation earned by or awarded to non-employee independent contractors, whether paid or accrued, regardless of contingency was \$37,282.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported. There were no construction projects that began on or after October 1 in the fiscal year.

Dog Island Conservation Board
Dog Island Conservation District
Dog Island, Florida

MANAGEMENT LETTER

- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, was \$449,400. A budget versus actual variance is presented on page 12 of the financial statements.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance 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 warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



May 23, 2022
Tallahassee, Florida

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