

**HAINES CITY WATER CONTROL DISTRICT**

**ANNUAL FINANCIAL REPORT**

**SEPTEMBER 30, 2021**

# HAINES CITY WATER CONTROL DISTRICT

## ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2021

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HAINES CITY WATER CONTROL DISTRICT

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2021

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## INDEPENDENT AUDITOR'S REPORT

Haines City Water Control District  
Haines City, Florida

We have audited the accompanying financial statements of the governmental activities and the major fund of Haines City Water Control 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.

## 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 the major fund of Haines City Water Control District, as of September 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information as listed in the table of contents (collectively, the "required supplementary information") be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2022, on our consideration of Haines City Water Control District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Haines City Water Control District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Haines City Water Control District's internal control over financial reporting and compliance.

*Gauntney, Tripp & Jolley, LLP*

Lake Wales, Florida

June 16, 2022

**HAINES CITY WATER CONTROL DISTRICT**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**

**SEPTEMBER 30, 2021**

The Haines City Water Control District (“District”) management discussion and analysis is intended to provide a narrative overview of the District’s financial activities for the fiscal year ended September 30, 2021. Please read it in conjunction with the District’s Independent Auditor’s Report, basic financial statements, accompanying notes, and supplementary information to the basic financial statements.

**OVERVIEW OF FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the District’s financial statements. The District’s basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements**

The government-wide financial statements are 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 the District’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual amount being 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 change occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements include all governmental activities that are principally supported by special assessment revenues. The District does not have any business-type activities. The governmental activities of the District include general government (management) and water control functions.

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has one fund category: governmental funds.

# HAINES CITY WATER CONTROL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

SEPTEMBER 30, 2021

### OVERVIEW OF FINANCIAL STATEMENTS - CONTINUED

#### 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 a District's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains one governmental fund for external reporting. Information is presented separately in the governmental fund balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances for the General Fund which is considered to be a major fund.

The District adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with the budget. (See page 22)

#### Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### FINANCIAL AND DISTRICT HIGHLIGHTS

#### Financial Highlights

- The assets of the District exceeded its liabilities at September 30, 2021, by \$247,935. The entire amount is unrestricted and may be used to meet the District's ongoing operations.
- For 2021, the District's total net position increased by \$70,958 as compared to 2020.
- The District's total revenue (on an accrual basis) was \$144,592 for the year ended September 30, 2021.
- Total expenses (on an accrual basis) for all of the District's activities were \$73,634 for the fiscal year ended September 30, 2021.

**HAINES CITY WATER CONTROL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**

**SEPTEMBER 30, 2021**

**FINANCIAL AND DISTRICT HIGHLIGHTS - CONTINUED**

District Highlights

- The District has completed its plan of reclamation and is currently in maintenance mode.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Assets exceeded liabilities by \$247,935 for the fiscal year ended September 30, 2021. Cash is the only asset of the District.

The following table highlights the net positions as of September 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Cash	\$ 247,935	\$ 176,977
Total assets	<u>\$ 247,935</u>	<u>\$ 176,977</u>
Current liabilities	<u>\$ -</u>	<u>\$ -</u>
Net position:		
Unrestricted	<u>\$ 247,935</u>	<u>\$ 176,977</u>
Total net position	<u>\$ 247,935</u>	<u>\$ 176,977</u>

The following table highlights the changes in net position for the fiscal years ended September 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Revenues:		
Special assessment	\$ 144,484	\$ 150,093
Interest income	108	219
Total revenues	<u>144,592</u>	<u>150,312</u>
Program Expenses:		
General government	54,715	36,313
Physical environment	18,919	16,570
Total program expenses	<u>73,634</u>	<u>52,883</u>
Change in net position	70,958	97,429
Net position, beginning of year	<u>176,977</u>	<u>79,548</u>
Net position, ending of year	<u>\$ 247,935</u>	<u>\$ 176,977</u>



**HAINES CITY WATER CONTROL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**

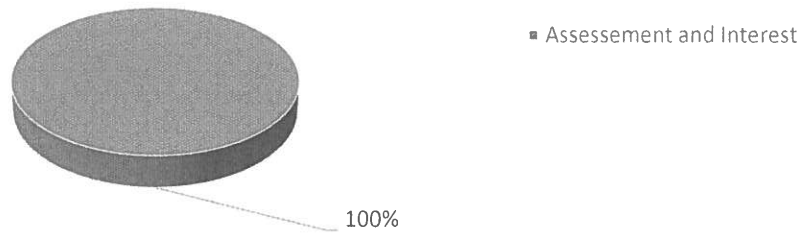
**SEPTEMBER 30, 2021**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS - CONTINUED**

The following graphs present the sources of revenue and breakdown of expenses for the fiscal year ended September 30, 2021:

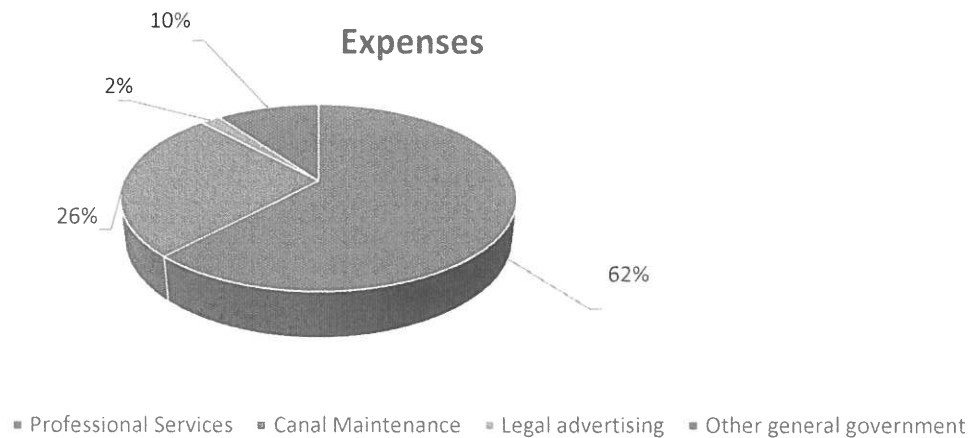
**HAINES CITY WATER CONTROL DISTRICT**

Revenue Sources



**HAINES CITY WATER CONTROL DISTRICT**

Expenses



## **HAINES CITY WATER CONTROL DISTRICT**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**

**SEPTEMBER 30, 2021**

#### **BUDGETARY HIGHLIGHTS**

The District adopted its fiscal year 2020/2021 budget on September 15, 2020, with an assessment rate of \$50.00 per acre, which was the same as the prior fiscal year. The total amount budgeted for expenditures was \$114,975 for the fiscal year ended September 30, 2021. The total net assessment revenue budgeted was \$140,149. Total actual expenditures were \$41,341 below budgeted expenditures. This was mainly due to the following:

- The District did not incur general government and physical environment expenses at budgeted levels for the fiscal year.
- Total actual revenue was \$4,443 over the budgeted revenue. Additional budget comparison information is presented on page 22.

#### **DEBT ADMINISTRATION**

The District had no outstanding obligations for the fiscal years ended September 30, 2021 and 2020.

#### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The District budgeted net revenues of \$140,290, with an assessment rate of \$50.00 per acre, for the next fiscal year ending September 30, 2022. The fiscal year ended September 30, 2021 also had an assessment rate of \$50 per acre. The assessment rate remained the same as the District is currently in a maintenance mode. The District budgeted expenses of \$123,075 for the fiscal year ended September 30, 2022.

#### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our readers with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Administrator, Linda Robinson; Post Office Box 1257, Davenport, Florida 33836; (863) 221-2516.

**HAINES CITY WATER CONTROL DISTRICT**

**STATEMENT OF NET POSITION**

**SEPTEMBER 30, 2021**

	<b><u>Governmental Activities</u></b>
<b><u>ASSETS</u></b>	
Cash and cash equivalents	<u>\$ 247,935</u>
Total assets	<u><u>\$ 247,935</u></u>
<b><u>LIABILITIES AND NET POSITION</u></b>	
<b><u>Liabilities</u></b>	<u>\$ -</u>
Total liabilities	<u>-</u>
<b><u>Net Position</u></b>	
Unrestricted	<u>247,935</u>
Total liabilities and net position	<u><u>\$ 247,935</u></u>

See notes to accompanying financial statements.

HAINES CITY WATER CONTROL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2021

<u>Functions/Programs</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Net Revenues and Changes in Net Position</u>
Governmental activities:			
General government	\$ 73,634	\$ 144,484	\$ 70,850
Total governmental activities	<u>\$ 73,634</u>	<u>\$ 144,484</u>	70,850
General Revenues:			
Interest earnings			10
Other nonprogram revenue			98
Change in Net Position			<u>70,958</u>
Net Position - beginning of year			<u>176,977</u>
Net Position - end of year			<u>\$ 247,935</u>

See accompanying notes to financial statements.

HAINES CITY WATER CONTROL DISTRICT

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**

SEPTEMBER 30, 2021

	<b><u>General Fund</u></b>
<b><u>ASSETS</u></b>	
Cash and cash equivalents	\$ 247,935
Total assets	<u>\$ 247,935</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>	
<b><u>Liabilities</u></b>	<u>\$ -</u>
Total liabilities	<u>-</u>
<b><u>Fund Balance</u></b>	
Unassigned	<u>247,935</u>
Total fund balance	<u>247,935</u>
Total liabilities and fund balance	<u>\$ 247,935</u>

See notes to accompanying financial statements.

HAINES CITY WATER CONTROL DISTRICT

RECONCILIATION OF THE BALANCE SHEET OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

SEPTEMBER 30, 2021

Fund balance - governmental funds	<u>\$ 247,935</u>
Amounts reported for governmental activities in the Statement of Net Position are the same	
Net position of governmental activities	<u>\$ 247,935</u>

See notes to accompanying financial statements.

HAINES CITY WATER CONTROL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>General Fund</u>
<b><u>Revenues</u></b>	
Assessments, net of discounts	\$ 144,484
Interest and miscellaneous income	108
	<hr/>
Total revenues	144,592
	<hr/>
<b><u>Expenditures</u></b>	
Current:	
General government	54,715
Physical environment	18,919
	<hr/>
Total expenditures	73,634
	<hr/>
Excess of revenues over expenditures	70,958
	<hr/>
Fund balance - beginning of year	176,977
	<hr/>
Fund balance - end of year	\$ 247,935
	<hr/> <hr/>

See notes to accompanying financial statements.

HAINES CITY WATER CONTROL 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, 2021**

Net change in fund balance - total governmental funds	<u>\$ 70,958</u>
Amounts reported for governmental activities in the Statement of Activities are the same	
Change in net position of governmental activities	<u>\$ 70,958</u>
See notes to accompanying financial statements.	



# HAINES CITY WATER CONTROL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED SEPTEMBER 30, 2021

The accounting methods and procedures adopted by Haines City Water Control District (“the District”) conform to generally accepted accounting principles as applied to governmental entities. The following notes to the financial statements are an integral part of the District's Annual Financial Report.

#### **Note A - Summary of Significant Accounting Policies**

##### **Reporting Entity and Basis of Presentation**

The District was created as the Haines City Drainage District No. 1 by Chapters 13649 and 14517, Laws of Florida in 1929. The District was recreated and reenacted by Chapter 2004-402, Laws of Florida in 2004. The operations of the District are fundamentally governed by special acts pertaining to the District.

The District is an independent special district created pursuant to the method authorized in Chapter 298 of the Florida Statutes. A five-member Board of Supervisors governs the District. Candidates for the Board are nominated by a minimum of three District property owners, and are elected at the Annual Landowners Meeting, or in the case of a vacancy, at the next available meeting. Board members are elected or re-elected to three-year terms. The Board appoints an Administrator to administer the policies emanating from its statutory powers and authority.

The Board has the responsibility for:

1. Assessing and levying assessments.
2. Approving budgets.
3. Exercising control over facilities and properties.
4. Controlling the use of funds generated by the District.
5. Approving the hiring and firing of key personnel.
6. Financing improvements.

The District’s financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB) Statements. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District is considered to be financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that, if excluded, the financial statements of the District would be considered incomplete or misleading. There are no entities considered to be component units of the District; therefore, the financial statements include only operations of the District.

##### **Basic Financial Statements - Government-wide Statements**

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The District's drainage activities and general administrative services are classified as governmental activities.

**HAINES CITY WATER CONTROL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**Note A - Summary of Significant Accounting Policies - Continued**

**Basic Financial Statements - Government-wide Statements - Continued**

In the government-wide Statement of Net Position, the governmental activities columns are presented on a consolidated basis by column, and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts - invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of the District's functions and activities. The functions are also supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues (assessments), operating and capital grants. Program revenues must be directly associated with the District's functions and activities.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

**Basic Financial Statements - Fund Financial Statements**

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The General Fund, the only fund of the District, is a governmental fund and is considered a major fund in these financial statements.

The following fund types are used by the District:

**Governmental Funds**

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental fund of the District:

**General Fund**

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

**HAINES CITY WATER CONTROL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**Note A - Summary Of Significant Accounting Policies - Continued**

**Basis of Accounting**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

**Full Accrual**

The governmental activities in the governmental-wide financial statements are presented on the full accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

**Modified Accrual**

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after the year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

**Deposits and Investments**

**Cash and Cash Equivalents**

For financial reporting purposes, the District considers cash and cash equivalents to be cash on hand, cash in banks, certificates of deposits, regardless of maturity, and short-term investments with maturities less than three months when acquired.

**Investments**

The District has no investments.

**Capital Assets**

The District has no capital assets.

**HAINES CITY WATER CONTROL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**Note A - Summary Of Significant Accounting Policies - Continued**

**Net Position and Fund Balances**

**Government-wide Net Position**

Government-wide net position is divided into three categories:

- Net investment in capital assets - consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding and was used to finance those assets.
- Restricted - consist of amounts constrained to specific purposes by their providers (such as grantors, bondholders, higher levels of government, and contributors), through constitutional provisions, by enabling legislation, or contributor restrictions.
- Unrestricted - all other net position is reported in this category.

**Governmental Fund Balances and Spending Policy**

Governmental fund balances consist of the following:

- Nonspendable - amounts that are not in spendable form (such as prepaid expenses or long-term investments) or are required to be maintained intact.
- Restricted - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed - amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e. Board members) and its highest-level action (i.e. Resolution). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint.
- Assigned - amounts the District intends to use for a specific purpose. Intent can be expressed by the Board of Supervisors.
- Unassigned - amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it is policy of the District to generally consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the policy of the District that committed amounts would be reduced first, followed by assigned amounts. In both instances, when a proposed expenditure is made with specific balances identified as the source of the funding, that specific fund balance will be used.

**HAINES CITY WATER CONTROL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**Note A - Summary Of Significant Accounting Policies - Continued**

**Revenues**

Substantially all governmental fund revenues are accrued. Assessments are billed and collected within the same period in which the taxes are levied. Subsidies and grants which finance either capital or current operations are reported as nonoperating revenue based on GASB Statement No. 33. In applying GASB Statement No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

**Expenditures**

Expenditures are recognized when the related fund liability is incurred.

**Capitalization Policy**

The capitalization policy of the District is to capitalize all assets with a cost of \$750 or more with an expected life of two years or more. As of September 31, 2021, the District had no capital assets.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section of deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditures) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

**Use of Estimates**

The preparation of financial statements in conformity with the U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

**HAINES CITY WATER CONTROL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**Note A - Summary Of Significant Accounting Policies - Continued**

**Budgets and Budgetary Accounting**

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. During April, the Administrator submits a proposed operating budget for the upcoming fiscal year. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is held to obtain taxpayer comments.
3. During September, the budgets are legally enacted through passage of a resolution.
4. All budget changes must be approved by the Board of Supervisors.
5. The budget for the General Fund was adopted on a basis consistent with generally accepted accounting principles.
6. Total budgeted amounts reflect all amendments approved by the Board of Supervisors. Line item changes made during the year were approved by the Board of Supervisors.

**Encumbrances**

Encumbrance accounting, under which purchase orders and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed in the District's accounting system.

**Note B - Assessments**

The assessment levy of the District is established by the Board of Supervisors and becomes an enforceable lien on the property on January 1 of the year following assessment. On September 15, 2020, the District levied an assessment of \$50.00 per acre for the fiscal year ended September 30, 2021.

All assessments are due and payable on November 1 of each year or as soon thereafter as the tax roll is delivered to the county tax collector. Liens are placed on property as of January 1. All unpaid assessments become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November 3% in the month of December, 2% in the month of January and 1% in the month of February. The assessments paid in March are without discount.

On or prior to June 1 following the assessment year, certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest of 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold certificates become the property of the District, earning interest at a rate of 18% per year.

**HAINES CITY WATER CONTROL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**Note C - Investments and Deposits In Banks**

**Investments**

The District does not have an adopted investment policy since it follows Florida Statute 218.45 for investment decisions. Florida Statutes authorize investments that include money market accounts, savings accounts and certificates of deposit at banks certified as qualified public depositories by the State of Florida, repurchase agreements, Florida PRIME, obligations of the U.S. Government, governmental agencies guaranteed by the U.S. Government, and certain bond mutual funds.

The District follows state statutes for allowable investments. However, state statutes do not specifically address the risks disclosed in GASB No. 40. No policy exists for the following risks: credit risk, custodial risk, concentration of credit risk, interest rate risk, and foreign currency risk.

Due to the District's use of short-term interest-bearing bank accounts in financial institutions that are covered by federal depository insurance or collateral pledged under Florida Statutes Chapter 280, it is considered that credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk are nominal or nonexistent in regards to these accounts.

During the year the District had no investments as defined above.

**Deposits in Banks**

At September 30, 2021, the carrying amount of the District's bank account was \$247,935 and the banks' balances were \$247,935. There were no checks that had been written but had not yet been paid by the banks at September 30, 2021.

These deposits are insured by the Federal Deposit Insurance Corporation or by collateral pursuant to the Florida Security for Public Deposits Act (Florida Statutes Chapter 280). Under this Act, financial institutions that qualify as public depositories pledge securities that have a market value equal to 50% - 125% of the average daily balance for each month of all public deposits in excess of applicable deposit insurance. The Public Depository Security Trust Fund has a procedure to allocate and recover losses in the event of default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof.

**Note D - Risk Management**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets and errors and omissions. The District is not a member of the insurance program sponsored by the Florida League of Cities for general liability and public officials' liability coverage, and does not carry liability insurance.

**HAINES CITY WATER CONTROL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**Note E - Fund Balance/Net Position**

Classifications of the fund balance and restrictions of the net position of the District are created to either (1) satisfy intentions that require a portion of the fund balance/net position be segregated, or (2) identify the portion of the fund balance/net position that is not appropriate for future expenditures. A specific reservation of the fund balance is as follows:

**Committed Fund Balance**

This classification was created to represent the portion of the fund balance that is reserved for expenditures within the next fiscal year.

**Note F - Over Expenditures**

At September 30, 2021, the following expenditures exceeded their budgeted amounts, as shown in the Required Supplementary Schedule on page 23:

<u>Expenditure Type</u>	<u>Over Expenditure</u>
General government	
Audit fees	\$ 1,000



**HAINES CITY WATER CONTROL DISTRICT**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET  
AND ACTUAL - GENERAL FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<b>Budget</b>		<b>Actual</b>	<b>Variance with Final Budget - Favorable (Unfavorable)</b>
	<b>Original</b>	<b>Final</b>		
<b><u>Revenues</u></b>				
Assessments, net of discounts	\$ 140,149	\$ 140,149	\$ 144,484	\$ 4,335
Interest and miscellaneous income	-	-	108	108
<b>Total revenues</b>	<b>140,149</b>	<b>140,149</b>	<b>144,592</b>	<b>4,443</b>
<b><u>Expenditures</u></b>				
General government:				
Administrator	3,000	3,000	3,000	-
Regulatory agencies and commissions	3,625	3,625	3,190	435
Office expense	250	250	58	192
Legal fees	45,000	45,000	35,058	9,942
Audit fees	10,000	10,000	11,000	(1,000)
Mailings	4,000	4,000	-	4,000
Dues	750	750	750	-
Education and training	9,450	9,450	100	9,350
Legal advertising	2,000	2,000	1,309	691
Website	400	400	250	150
<b>Total general government</b>	<b>78,475</b>	<b>78,475</b>	<b>54,715</b>	<b>23,760</b>
Physical environment:				
Canal maintenance	19,500	19,500	13,872	5,628
Engineering fees	17,000	17,000	5,047	11,953
Contingency	12,587	12,587	-	12,587
Reserve	12,587	12,587	-	12,587
<b>Total physical environment</b>	<b>61,674</b>	<b>61,674</b>	<b>18,919</b>	<b>42,755</b>
<b>Total expenditures</b>	<b>140,149</b>	<b>140,149</b>	<b>73,634</b>	<b>66,515</b>
Excess of revenues over expenditures	\$ -	\$ -	70,958	\$ 70,958
Fund balance - beginning of year			176,977	
Fund balance - end of year			\$ 247,935	

HAINES CITY WATER CONTROL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED SEPTEMBER 30, 2021

Note A - Budgetary Accounting

The District is required to establish a budgetary system and an approved Annual Budget for the General Fund. The District's budgeting process is based on estimates of cash receipts and cash expenditures which are approved by the Board. The budget approximates a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles).

The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual General Fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2021.

Actual General Fund expenditures for the fiscal year ended September 30, 2021, were less than appropriations due primarily to anticipated costs which were not incurred in the current fiscal year.

Note B - Over Expenditures

At September 30, 2021, the following expenditures exceeded their budgeted amounts:

<u>Expenditure Type</u>	<u>Over Expenditure</u>
General government Audit fees	\$ 1,000

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

Board of Supervisors  
Haines City Water Control District  
Haines 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 the major fund of Haines City Water Control District, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise Haines City Water Control District's basic financial statements and have issued our report thereon dated June 16, 2022.

### **Internal Control Over Financial Reporting**

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial 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 a material weakness. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

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

## **Purpose of This Report**

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



Lake Wales, Florida

June 16, 2022

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## INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES

Board of Supervisors  
Haines City Water Control District  
Haines City, Florida

We have examined Haines City Water Control District's compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10)(a) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2021. Management is responsible for the Haines City Water Control District's compliance with those requirements. Our responsibility is to express an opinion on Haines City Water Control 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 Haines City Water Control District complied, in all material respects, with the specific requirements referenced above. An examination involves performing procedures to obtain evidence about whether Haines City Water Control District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, 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 a legal determination on Haines City Water Control District's compliance with specified requirements.

In our opinion, Haines City Water Control District complied, in all material respects, with the requirements of Section 218.415, Florida Statutes for the fiscal year ended September 30, 2021.

This report is intended solely for the information and use of the Florida Auditor General, and the Board of Supervisors and applicable management of Haines City Water Control District, and is not intended to be and should not be used by anyone other than these specified parties.

*Bunting, Tripp & Ingley, LLP*

Lake Wales, Florida  
June 16, 2022

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## MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Board of Supervisors  
Haines City Water Control District  
Haines City, Florida

### Report on the Financial Statements

We have audited the financial statements of Haines City Water Control District, as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated June 16, 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 on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's 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 (if any) in those reports, which are dated June 16, 2022, should be considered in conjunction with this management letter.

### Prior Audit Findings

There were no findings or recommendations made.

### 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 name and legal authority for the District is disclosed in the notes to the financial statements. There were no component units related to Haines City Water Control District.

## **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 Haines City Water Control District has met one or more of the conditions described in Section 218.503(1), Florida Statutes and to identify the specific condition(s) met. In connection with our audit, we determined that Haines City Water Control District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for Haines City Water Control District. It is management's responsibility to monitor Haines City Water Control District's financial condition, and our financial condition assessment was based in part on representations made by management and 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.

## **Specific Information**

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

1. The total number of district employees compensated in the last pay period of the district's fiscal year as zero.
2. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as one.
3. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$-0-.
4. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$3,000.
5. No construction projects with a total cost of at least \$65,000 approved by the district that are scheduled to begin on or after October 1 of the fiscal year being reported.
6. No amendment to the budget adopted under Section 189.016(4) Florida Statutes, before the beginning of the fiscal year being reported.

## **Additional Matters**

Section 10.554(1)(i)3, Rules of the Auditor General, requires us to communicate 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 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 Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Supervisors of Haines City Water Control District, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Bunting, Tripp & Jolly, LLP*

Lake Wales, Florida

June 16, 2022



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## Haines City Water Control District

c/o Linda Robinson, Secretary

Post Office Box 1257

Davenport, Florida 33836

Phone: (863) 221-2516 / Email: myhcwcd@gmail.com

### AUDITEE'S RESPONSE TO AUDITOR'S REPORTS AND MANAGEMENT LETTER

Ms. Sherrill F. Norman., CPA  
Auditor General  
State of Florida  
111 W. Madison Street  
Tallahassee, FL 32399-1450

Re: Fiscal Year 2020-2021

Dear Ms. Norman:

The Rules of the Auditor General require the audit report to include a written statement of explanation, including corrective action to be taken, or a rebuttal regarding any deficiencies cited in the auditors' reports and management letter.

There were no deficiencies cited in the current year auditors' reports or management letter.

Sincerely,

  
Russell S. Yates, Chairman  
Haines City Water Control District