

*Valencia Water  
Control District*

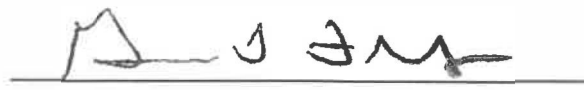
*Agenda*

*September 11, 2018*

# AGENDA

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

Please be advised that the Meeting of the Board of Supervisors of Valencia Water Control District will be held on Tuesday, September 11, 2018 at 1:00 P.M. in the **Lake Ridge Village Clubhouse, 10630 Larissa Street (Directions listed below)**. Attached is an Agenda for the meeting.



George S. Flint, District Director

**DIRECTIONS TO MEETING:**

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

**DISTRIBUTION**

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

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

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

# AGENDA

September 11, 2018

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

## Item

1. Call Meeting to Order
2. Approval of June 12, 2018 Minutes
3. General Fund Financial Reports
4. Engineer's Report
  - A. Consideration of Second Modification to Permit #0455 – Sea World Aquatica Orlando Project 2019
5. Attorney's Report
6. Director's Report
  - A. Review and Acceptance of Fiscal Year 2017 Audit Report
  - B. Ratification of License Agreement with Hubbard Construction Company
7. Other Business
8. Adjournment

## SECTION II

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

**June 12, 2018**

The annual meeting of the Board of Supervisors of **VALENCIA WATER CONTROL DISTRICT** was held at 1:00 P.M. on Tuesday, June 12, 2018, in the Lake Ridge Village Clubhouse, Williamsburg Subdivision in Orlando, Florida. Present were Supervisors James Gerard, William Ingle, Greg Bales, Ed Neal and Debra Donton. Also in attendance were the following: Stephen F. Broome, District Attorney; George S. Flint, District Director; David Mahler, District Engineer; Stacie Vanderbilt, District Administrative Assistant; Teresa Viscarra, District Accounts Payable; and Roy Miller, Waterview Resident.

**ITEM #1** **Call Meeting to Order**

Mr. Flint called the meeting to order at 1:34 PM.

**ITEM #2** **Administer Oath of Office to Newly Elected Supervisor**

Mr. Broome being a Notary Public of the State of Florida administered the Oath of Office to Debra Donton.

**ITEM #3** **Election of President of Board of Supervisors**

On MOTION by Ms. Donton seconded and carried with all in favor, James A. Gerard was elected as President of the Board of Supervisors.

**ITEM #4** **Appoint District Attorney (Presently Stephen F. Broome)**

On MOTION by Mr. Neal seconded and carried with all in favor, Stephen F. Broome was appointed to serve as District Attorney.

**ITEM #5** **Appoint District Engineer (Presently David E. Mahler)**

On MOTION by Mr. Bales seconded and carried with all in favor, David E. Mahler was appointed to serve as District Engineer.

**ITEM #6** **Appoint District Treasurer & Director  
(Presently George S. Flint)**

On MOTION by Mr. Gerard seconded and carried with all in favor, George S. Flint was appointed to serve as District Treasurer and District Director.

**ITEM #7** **Appoint District Deputy Treasurer (Presently  
James A. Gerard)**

On MOTION by Mr. Ingle seconded and carried with all in favor, James A. Gerard was appointed to serve as Deputy District Treasurer.

**ITEM #8** **Appoint District Secretary (Presently  
Stephen F. Broome)**

On MOTION by Ms. Donton seconded and carried with all in favor, Stephen F. Broome was appointed to serve as District Secretary.

**ITEM #9** **Appoint District Deputy Secretaries  
(Presently William Ingle, Ed Neal, Gregory  
Bales and Debra Donton)**

On MOTION by Mr. Neal seconded and carried with all in favor, William Ingle, Ed Neal, Gregory Bales and Debra Donton were appointed to serve as Deputy District Secretaries.

**ITEM #10** **Approval of May 8, 2018 Minutes**

Mr. Flint stated the next item was the minutes from the May 8, 2018 monthly meeting. He asked if there were any corrections, deletions or additions. There being none,

On MOTION by Ms. Donton seconded and carried, with all in favor the minutes of the May 8, 2018 Monthly Meeting of the Board of Supervisors were approved.

**ITEM #11** **General Fund Financial Reports**

Mr. Flint stated that the financials through May 31<sup>st</sup> were included in the agenda.

Ms. Viscarra stated that the money market accounts were making a good amount of interest.

A brief discussion ensued regarding the investment account at the State Board of Administration.

The District's financial reports for the period ending 5/31/18 were accepted as distributed.

**ITEM #12**

**Engineer's Report**

**Approval of Permit #0503 – IAAPA World Headquarters - Grande Lakes NW Quadrant**

Mr. Mahler stated that a new construction project had come in recently and presented the approval letter for Permit #0503 for the IAAPA headquarters within the Grande Lakes PUD. He stated that the project met all the requirements and recommended approval.

On MOTION by Mr. Gerard seconded and carried with all in favor, Permit #0503 was approved.

**ITEM #13**

**Attorney's Report**

There being none, next item followed.

**ITEM #14**

**Director's Report**

Mr. Flint stated that he did a site visit with Mr. Mahler and Mr. Brown to review the canals and District property to familiarize himself. He stated that he also met with the aquatic manager to go over the pond maintenance schedule. He stated that there were no specific issues to notify the Board at this time.

Mr. Gerard stated that the letter to the resident regarding recreational pond use was well written.

**ITEM #15**

**Other Business**

There being none,

**ITEM #16**

**Adjournment**

On MOTION by Mr. Gerard seconded and carried with all in favor, the meeting was adjourned at 1:47 P.M.

\_\_\_\_\_  
Stephen F. Broome, Secretary

\_\_\_\_\_  
James A. Gerard

\_\_\_\_\_  
William Von Ingle

\_\_\_\_\_  
Ed Neal

\_\_\_\_\_  
Greg Bales

\_\_\_\_\_  
Debra Donton

# SECTION III

3:57 PM

09/04/18

Accrual Basis

**Valencia Water Control District**  
**Balance Sheet**  
**As of August 31, 2018**

	Aug 31, 18
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
101200 • SunTrust Bank - Checking	229,078.65
101210 • Suntrust-Money Market Account	100,414.40
101400 • Cash - Reserves	151,573.17
101500 • Cash - Operating	50,524.36
102000 • Cash on hand	100.00
Total Checking/Savings	531,690.58
Total Current Assets	531,690.58
Fixed Assets	
164000 • Land	700,120.00
164190 • Structures	656,605.00
164290 • Canals	2,888,690.00
164590 • Ponds	1,245,537.00
166190 • Equipment & Office furniture	12,767.28
199000 • Accumulated Depreciation	-4,741,594.98
Total Fixed Assets	762,124.30
<b>TOTAL ASSETS</b>	<b>1,293,814.88</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
202001 • Accounts payable	-1,051.68
Total Accounts Payable	-1,051.68
Other Current Liabilities	
217300 • FUTA/SUTA payable	27.00
Total Other Current Liabilities	27.00
Total Current Liabilities	-1,024.68
Total Liabilities	-1,024.68
Equity	
271000 • Fund balance-unreserved	260,981.08
271020 • Fund balance-unreserved-002	4,900.00
271100 • Fund Balance -Reserved	
271130 • Canals & Pond Maintenance	18,356.42
Total 271100 • Fund Balance -Reserved	18,356.42
280100 • Net Assets Capitalized	866,157.39
Net Income	144,444.67
Total Equity	1,294,839.56
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,293,814.88</b>

3:58 PM

09/04/18

Accrual Basis

**Valencia Water Control District**  
**Profit & Loss Budget vs. Actual**  
**October 2017 through August 2018**

	Oct '17 - Aug 18	Budget	\$ Over Budget
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
319100 • Drainage tax assessment	492,092.89	493,637.00	-1,544.11
361001 • Interest earnings - GF	2,207.74	0.00	2,207.74
<b>Total Income</b>	<b>494,300.63</b>	<b>493,637.00</b>	<b>663.63</b>
<b>Gross Profit</b>	<b>494,300.63</b>	<b>493,637.00</b>	<b>663.63</b>
<b>Expense</b>			
511200 • Supervisor Compensation	1,500.00	2,250.00	-750.00
512000 • Employee Salaries	27,000.00	49,500.00	-22,500.00
521000 • FICA taxes	2,065.50	3,804.13	-1,738.63
524000 • Workers' compensation	500.00	600.00	-100.00
525000 • Futa/Suta Unemployment Tx	27.00	292.42	-265.42
531100 • Management Fees	39,133.37	29,333.34	9,800.03
531200 • Engineering services	24,220.33	23,100.00	1,120.33
531300 • Legal services	11,000.00	11,000.00	0.00
531600 • Website Creation/Maintenance	550.00	550.00	0.00
531700 • Report Preparation - NPDES	21,395.30	13,291.67	8,103.63
532200 • Auditing	5,000.00	5,000.00	0.00
534100 • Aquatic weed control	26,393.30	27,500.00	-1,106.70
534200 • Canal & retention pond	68,576.59	146,666.67	-78,090.08
534300 • Mowing	60,376.44	90,000.00	-29,623.56
534400 • Water quality monitoring	16,455.00	18,333.34	-1,878.34
534500 • Janitorial	1,310.00	1,833.34	-523.34
540000 • Travel & per diem	108.07	183.34	-75.27
541100 • Freight	0.00	183.34	-183.34
541200 • Postage	228.84	458.34	-229.50
541500 • Internet	1,340.31	1,375.00	-34.69
543000 • Utility services	234.23	916.67	-682.44
544000 • Office Lease	11,568.48	11,605.00	-36.52
544300 • Meeting Room Rental	350.00	450.00	-100.00
545000 • Insurance	11,500.00	12,650.00	-1,150.00
546200 • R&M - general	3,771.50	0.00	3,771.50
546300 • R&M - office	520.00	916.67	-396.67
546400 • R&M - security gates & signs	337.50	916.67	-579.17
547000 • Printing & binding	235.35	458.34	-222.99
549200 • Other chgs-elections	2,953.78	2,800.00	153.78
549300 • Other chgs-miscellaneous	137.90	366.67	-228.77
549400 • Other chgs-NPDES	3,308.00	3,666.67	-358.67
549500 • Other chgs-legal advertising	988.67	1,100.00	-111.33
549600 • Other chgs- Banking Fees	0.00	275.00	-275.00
549800 • Contingency	0.00	733.34	-733.34
549900 • Other Chrgs-OC Prop. Appr. Fee	5,388.00	5,408.00	-22.00
551000 • Office Supplies	209.50	916.67	-707.17
552100 • Operating supplies	0.00	916.67	-916.67
554000 • Pubs, subscribe & members	1,175.00	2,150.00	-975.00
<b>Total Expense</b>	<b>349,855.98</b>	<b>471,501.30</b>	<b>-121,645.34</b>
<b>Net Ordinary Income</b>	<b>144,444.67</b>	<b>22,135.70</b>	<b>122,308.97</b>
<b>Net Income</b>	<b>144,444.67</b>	<b>22,135.70</b>	<b>122,308.97</b>

4:00 PM

09/04/18

Accrual Basis

**Valencia Water Control District**  
**Profit & Loss**  
 October 2017 through August 2018

	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	Jul 18	Aug 18	TOTAL
<b>Ordinary Income/Expense</b>												
Income												
319100 - Drainage tax assessment	0.00	32,838.77	281,705.85	61,906.88	44,242.19	27,953.51	28,798.60	3,760.52	2,216.29	7,965.69	704.59	492,092.89
361001 - Interest earnings - GF	10.63	9.71	11.97	14.38	32.02	312.83	333.03	355.08	357.34	387.56	383.39	2,207.74
<b>Total Income</b>	<b>10.63</b>	<b>32,848.48</b>	<b>281,717.82</b>	<b>61,921.26</b>	<b>44,274.21</b>	<b>28,266.14</b>	<b>29,131.63</b>	<b>4,115.60</b>	<b>2,573.83</b>	<b>8,353.25</b>	<b>1,087.98</b>	<b>494,300.63</b>
<b>Gross Profit</b>	<b>10.63</b>	<b>32,848.48</b>	<b>281,717.82</b>	<b>61,921.26</b>	<b>44,274.21</b>	<b>28,266.14</b>	<b>29,131.63</b>	<b>4,115.60</b>	<b>2,573.83</b>	<b>8,353.25</b>	<b>1,087.98</b>	<b>494,300.63</b>
Expense												
511200 - Supervisor Compensation	150.00	0.00	250.00	250.00	150.00	0.00	250.00	200.00	250.00	0.00	0.00	1,500.00
512000 - Employee Salaries	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00	0.00	0.00	0.00	0.00	0.00	27,000.00
521000 - FICA taxes	344.25	344.25	344.25	344.25	344.25	344.25	0.00	0.00	0.00	0.00	0.00	2,065.50
524000 - Workers' compensation	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	500.00
525000 - Futa/Suta Unemployment Tx	4.50	4.50	4.50	4.50	4.50	4.50	0.00	0.00	0.00	0.00	0.00	27.00
531100 - Management Fees	2,666.67	2,666.67	2,666.67	2,666.67	2,666.67	2,666.67	2,666.67	4,066.67	5,466.67	5,466.67	5,466.67	39,133.37
531200 - Engineering services	2,100.00	2,100.00	2,100.00	2,100.00	2,100.00	2,100.00	2,100.00	2,100.00	2,100.00	3,220.33	2,100.00	24,220.33
531300 - Legal services	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	11,000.00
531600 - Website Creation/Maintenance	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	550.00
561700 - Report Preparation - NPDES	5,106.25	8,927.50	7,031.55	0.00	0.00	0.00	0.00	320.00	90.00	1,020.00	900.00	21,395.30
532200 - Auditing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,000.00	0.00	5,000.00
534100 - Aquatic weed control	2,125.00	2,125.00	2,125.00	2,125.00	2,125.00	0.00	4,260.00	5,143.30	2,125.00	2,125.00	2,125.00	26,393.30
534200 - Canal & retention pond	22,773.49	1,500.00	7,264.00	14,338.30	2,343.40	14,057.35	0.00	4,248.30	1,000.00	1,053.75	0.00	68,578.59
534300 - Mowing	13,196.04	3,798.14	0.00	0.00	0.00	0.00	0.00	13,196.04	13,196.04	13,196.04	3,798.14	60,376.44
534400 - Water quality monitoring	0.00	3,291.00	1,645.50	1,645.50	1,645.50	1,645.50	1,645.50	1,645.50	1,645.50	1,645.50	0.00	16,455.00
534500 - Janitorial	131.00	131.00	131.00	131.00	131.00	0.00	262.00	131.00	131.00	131.00	0.00	1,310.00
540000 - Travel & per diem	0.00	0.00	0.00	108.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	108.07
541200 - Postage	14.83	27.14	11.01	21.52	23.23	32.13	4.70	17.33	42.74	22.15	12.06	228.84
541500 - Internet	120.40	120.40	120.40	120.63	120.93	120.93	120.56	124.10	0.00	248.03	123.93	1,340.31
543000 - Utility services	43.32	41.18	47.15	0.00	0.00	0.00	0.00	29.97	0.00	48.42	24.19	234.23
544000 - Office Lease	1,051.68	1,051.68	1,051.68	1,051.68	1,051.68	1,051.68	1,051.68	1,051.68	1,051.68	1,051.68	1,051.68	11,568.48
544300 - Meeting Room Rental	50.00	0.00	50.00	50.00	50.00	0.00	50.00	50.00	50.00	0.00	0.00	350.00
546000 - Insurance	11,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11,500.00
546200 - R&M - general	0.00	0.00	0.00	0.00	0.00	0.00	1,000.00	1,771.50	0.00	0.00	1,000.00	3,771.50
546300 - R&M - office	385.00	45.00	0.00	0.00	45.00	0.00	0.00	45.00	0.00	0.00	0.00	520.00
546400 - R&M - security gates & signs	0.00	0.00	337.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	337.50
547000 - Printing & binding	10.80	54.90	4.20	23.85	28.85	22.20	0.30	22.20	26.25	34.50	7.50	235.35
549200 - Other chgs-elections	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,953.78	0.00	0.00	0.00	2,953.78
549300 - Other chgs-miscellaneous	0.00	7.00	0.00	14.00	7.00	7.00	36.30	34.30	32.30	0.00	0.00	137.90
549400 - Other chgs-NPDES	0.00	0.00	1,875.00	0.00	0.00	0.00	1,433.00	0.00	0.00	0.00	0.00	3,308.00
549500 - Other chgs-legal advertising	0.00	0.00	148.00	0.00	170.00	0.00	170.67	500.00	0.00	0.00	0.00	988.67
549900 - Other Chgs-OC Prop. Appr. Fee	5,366.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,366.00
551000 - Office Supplies	21.23	21.82	0.59	21.47	21.65	21.20	0.30	21.20	21.88	57.85	0.51	208.50
554000 - Pubs, subscrips & members	1,175.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,175.00
<b>Total Expense</b>	<b>73,905.48</b>	<b>29,805.28</b>	<b>33,258.10</b>	<b>30,564.44</b>	<b>18,578.48</b>	<b>27,623.41</b>	<b>16,091.68</b>	<b>38,721.87</b>	<b>28,278.86</b>	<b>35,370.72</b>	<b>17,657.66</b>	<b>349,855.96</b>
<b>Net Ordinary Income</b>	<b>-73,894.83</b>	<b>3,043.20</b>	<b>248,459.72</b>	<b>31,356.82</b>	<b>25,695.75</b>	<b>642.73</b>	<b>13,039.95</b>	<b>-34,608.27</b>	<b>-25,705.23</b>	<b>-27,017.47</b>	<b>-16,569.70</b>	<b>144,444.87</b>
<b>Net Income</b>	<b>-73,894.83</b>	<b>3,043.20</b>	<b>248,459.72</b>	<b>31,356.82</b>	<b>25,695.75</b>	<b>642.73</b>	<b>13,039.95</b>	<b>-34,608.27</b>	<b>-25,705.23</b>	<b>-27,017.47</b>	<b>-16,569.70</b>	<b>144,444.87</b>

## SECTION IV

# SECTION A



1117 East Robinson Street  
Orlando, Florida 32801  
Phone: 407.425.0452

August 15, 2018

Board of Directors  
Valencia Water Control District  
10365 Orangewood Boulevard  
Orlando, Florida 32821

RE: Attraction – Aquatica Orlando Project 2019  
Permit Modification  
VWCD Permit No.0445-2  
CPH Project No. 6816.06

Dear Honorable Board Members:

We have completed our review of the above referenced project submitted by Harris Civil Engineers, LLC on August 1, 2018. Based on our review, we have no objection to the Board approving this permit modification.

Sincerely,

**CPH, INC.**

A handwritten signature in black ink, appearing to read 'D. Mahler', written over a horizontal line.

David E. Mahler, P.E.  
District Engineer

Cc: David W. Taylor, P.E., Harris  
GMS  
file

# PROPRIETARY

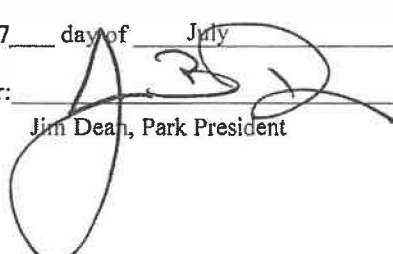
Permit No. \_\_\_\_\_  
(Assigned by VWCD)

## APPLICATION TO BOARD OF SUPERVISORS OF VALENCIA WATER CONTROL DISTRICT FOR PERMIT

- (1) PROPOSED USE: ATTRACTION - AQUATICA ORLANDO PROJECT 2019
- (2) LOCATION OF WORK: 10301 International Drive Block: \_\_\_\_\_ Lot: \_\_\_\_\_  
Subdivision: \_\_\_\_\_ or Section: 12 Township: 24 Range: 28
- (3) DISTRICT WORKS INVOLVED: Canal C-5 (Receiving Water Only)
- (4) OWNER OF PROPOSED WORK OR STRUCTURE:  
NAME: SeaWorld Entertainment, Inc.  
ADDRESS: 7007 Sea World Drive  
(Street)  
Orlando Florida 32821  
(City) (State) (Zip)
- (5) APPLICATION OTHER THAN OWNER: (if any)  
Name: N/A  
Address: \_\_\_\_\_  
Serving as: \_\_\_\_\_ for owner
- (6) AREA PROPOSED TO BE SERVED: Give legal description and size in acres. Attach legal description if necessary. If land is platted, indicate Block, Lot and Subdivision.  
See attached Deed. This projects area is 0.45 acres.
- (7) CONSTRUCTION SCHEDULE: The proposed work, if permitted, will begin within 30 calendar days of permit approval and be completed with 365 calendar days thereafter.
- (8) This application, including sketches, drawings or plans and specifications attached contains a full and complete description of the work proposed or use desired of the above described facilities of the District and for which permit is herewith applied. It shall be a part of any permit that may be issued. It is agreed that all work or the use of the District's facilities will be in accordance with the permit to be granted and with Rule 4 adopted by the District, which Rule has been examined and is understood by applicant.

Submitted this 27 day of July, 20 18.

Signature of Owner: \_\_\_\_\_

  
Jim Dean, Park President



**PG&W**  
PAPER & GLASS  
WASTE RECYCLING

Recycling is the most effective way to conserve natural resources and protect the environment. PG&W is a leader in the recycling industry, and we are proud to be a part of the solution.

Call today for more information on our recycling services. We'll be glad to help you reduce your waste and save money.

1-800-368-7263

**MAHLE**

MAHLE is a leader in the automotive industry, and we are proud to be a part of the solution. We offer a wide range of products and services, including:

- Engine Components
- Transmission Components
- Brake Components
- Filter Components
- Electrical Components

Call today for more information on our products and services. We'll be glad to help you find the right solution for your needs.

1-800-368-7263

**1-800-368-7263**

Call today for more information on our recycling services. We'll be glad to help you reduce your waste and save money.



# SECTION VI

# SECTION A



# VALENCIA WATER CONTROL DISTRICT

FINANCIAL REPORT  
Year Ended September 30, 2017

VALENCIA WATER CONTROL DISTRICT

**TABLE OF CONTENTS**

Year Ended September 30, 2017

	<b>Page</b>
<b>I. Financial Section:</b>	
Independent Auditor's Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Statement of Net Position	6
Statement of Revenues, Expenses and Changes in Net Position	7
Statement of Cash Flows	8
Notes to Financial Statements	9
<b>II. Compliance Section:</b>	
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>	15
Management Comments	17
Independent Auditor's Report on Compliance with the Requirements of Section 218.415, Florida Statutes	19

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Supervisors  
*Valencia Water Control District*

### **Report on the Financial Statements**

We have audited the accompanying basic financial statements of the business-type activities of *Valencia Water Control District* (the "District"), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

The District's 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material 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 principles 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.

**MCDIRMIT DAVIS & COMPANY, LLC**

934 NORTH MAGNOLIA AVENUE, SUITE 100 ORLANDO, FLORIDA 32803  
TELEPHONE: 407-843-5406 FAX: 407-649-9339 EMAIL: INFO@MCDIRMITDAVIS.COM

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the District as of September 30, 2017, and the respective changes in financial position and cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis starting on page 3, 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 a report dated June 25, 2018, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Orlando, Florida  
June 25, 2018

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of *Valencia Water Control District* (the "District") financial accomplishments provide an overview of the District's financial activities for the year ended September 30, 2017. Please read it in conjunction with the District's Independent Auditor's Report, financial statements and accompanying notes.

This information is being presented to provide additional information regarding the activities of the District and to meet the disclosure requirements of Government Accounting Standards Board Statement (GASB) No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* issued June 1999.

### Financial Highlights

- The assets of the District exceeded its liabilities at September 30, 2017 by \$1,157,650, an increase in net position of \$3,254 in comparison with the prior year.
- At September 30, 2017, the District ended the year with cash and cash equivalents of \$407,034.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to *Valencia Water Control District's* financial statements. The District's financial statements comprise two components: 1) basic financial statements and 2) notes to financial statements.

### Basic 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: Proprietary Fund.

**Proprietary Funds** - The District maintains one type of proprietary fund: enterprise. The District maintains one enterprise fund. An enterprise fund is used to report the same functions presented as *business-type activities* in the financial statements. The District uses an enterprise fund to account for the operations of the water control services within the District. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

### Notes to Financial Statements

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### Condensed Financial Analysis

Statement of Net Position - The District's net position was \$1,157,650 at September 30, 2017. The following analysis focuses on the net position of the District's financial activities.

#### Valencia Water Control District Statement of Net Position

	<b>Business-Type Activities</b>	
	<b>2017</b>	<b>2016</b>
<b>Assets:</b>		
Current and other assets	\$ 421,659	\$ 420,970
Capital assets, net	769,379	762,124
Total assets	1,191,038	1,183,094
<b>Liabilities:</b>		
Current liabilities	33,388	28,698
Total liabilities	33,388	28,698
<b>Net Position:</b>		
Investment in capital assets	769,379	762,124
Unrestricted	388,271	392,272
Total net position	\$ 1,157,650	\$ 1,154,396

The following is a summary of the District's financial activities for the fiscal years ended September 30, 2017 and 2016.

#### Changes in Net Position Year ended September 30,

	<b>Business-Type Activities</b>	
	<b>2017</b>	<b>2016</b>
<b>Revenues:</b>		
Program revenues:		
Assessments for services	\$ 454,295	\$ 456,273
General revenues:		
Investment earnings	163	171
Other	-	3,808
Total revenues	454,458	460,252
<b>Expenses:</b>		
Business - type activities:		
Water control	451,204	463,830
Total expenses	451,204	463,830
<b>Increase (Decrease) in Net Position</b>	<b>3,254</b>	<b>(3,578)</b>
<b>Net Position - beginning</b>	<b>1,154,396</b>	<b>1,157,974</b>
<b>Net Position - ending</b>	<b>\$ 1,157,650</b>	<b>\$ 1,154,396</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### Business-Type Activities

The cost of the business-type activities was \$451,204, a 2.7% decrease from the prior year. The costs of those activities were paid for by assessments for services, which accounted for 99.9% of total business-type revenues. Assessments for services decreased \$1,978 from the prior year.

### Financial Analysis of the Government's Fund

Proprietary Fund - The District's Water Control Fund reported operating income of \$3,091, which is an increase of \$6,840 from the previous year. Of the total net position in the amount of \$1,157,650, \$769,379 is invested in capital assets.

### Capital Asset Activity

**Capital Assets** - At September 30, 2017, the District had \$769,379 invested in capital assets. More detailed information about the District's capital assets is presented in the notes to the financial statements.

	<b>Business-Type Activities</b>	
	<b>2017</b>	<b>2016</b>
Land	\$ 700,120	\$ 700,120
Ponds and Canals	4,134,227	4,134,227
Water Control Structures	672,531	656,605
Equipment	12,767	12,767
Accumulated Depreciation	(4,750,266)	(4,741,595)
Total	\$ 769,379	\$ 762,124

### Capital Debt Activity

**Capital Debt** - At September 30, 2017, the District has no long-term debt.

### Economic Factors and Next Year's Budget

It is difficult to predict what significant effect the current economic condition will have on the financial position or results of operations of the District in fiscal year 2018.

### Requests for Information

If you have questions about this report or need additional financial information, contact *Valencia Water Control District's* Finance Department at 135 W. Central Blvd, Suite 320, Orlando, Florida 32801.

## **FINANCIAL STATEMENTS**

VALENCIA WATER CONTROL DISTRICT

**STATEMENT OF NET POSITION**

September 30, 2017

	<b>Enterprise Fund</b>
	<b>Water Control</b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 407,034
Accounts receivable, net	3,125
Prepaid expenses and deposits	11,500
Total current assets	421,659
Noncurrent assets:	
Capital Assets:	
Land	700,120
Infrastructure and equipment	4,819,525
Less accumulated depreciation	(4,750,266)
Total noncurrent assets	769,379
Total assets	1,191,038
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable and accrued expenses	33,388
Total liabilities	33,388
<b>NET POSITION</b>	
Investment in capital assets	769,379
Unrestricted	388,271
Total net position	\$ 1,157,650

VALENCIA WATER CONTROL DISTRICT

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

Year Ended September 30, 2017

	Enterprise Fund
	Water Control
<b>REVENUES</b>	
Charges for Services	\$ 454,295
Total operating revenues	454,295
<b>OPERATING EXPENSES</b>	
Salaries and Benefits	60,301
Property Maintenance	308,078
Other Supplies and Expenses	74,154
Depreciation	8,671
Total Operating Expenses	451,204
Operating income (loss)	3,091
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest and Investment Revenue	163
Income (loss)	3,254
Total Net Position - beginning	1,154,396
Total Net Position - ending	\$ 1,157,650

VALENCIA WATER CONTROL DISTRICT

**STATEMENT OF CASH FLOWS**

Year Ended September 30, 2017

	<b>Water Control</b>
<b>Cash Flows from Operating Activities:</b>	
Receipts from customers and users	\$ 451,170
Payments to suppliers of goods and services	(434,857)
Net cash provided by operating activities	16,313
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Purchases of capital assets	(15,926)
Net cash used by capital and related financing activities	(15,926)
<b>Cash Flows from Investing Activities:</b>	
Interest earnings	163
Net cash provided by investing activities	163
<b>Net Increase in Cash and Cash Equivalents</b>	<b>550</b>
<b>Cash and Cash Equivalents - beginning</b>	<b>406,484</b>
<b>Cash and Cash Equivalents - ending</b>	<b>\$ 407,034</b>
<b>Classified As:</b>	
Cash and cash equivalents	\$ 407,034
Total	\$ 407,034
<b>Reconciliation of Operating Income to Net Cash Provided By Operating Activities</b>	
Operating income	\$ 3,091
<b>Adjustments Not Affecting Cash:</b>	
Depreciation and amortization	8,671
<b>Change in Assets and Liabilities:</b>	
(Increase) Decrease in accounts receivable	(3,125)
(Increase) Decrease in prepaids	2,986
Increase (Decrease) in accounts payable	4,690
Total adjustments	13,222
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 16,313</b>

## **NOTES TO FINANCIAL STATEMENTS**

VALENCIA WATER CONTROL DISTRICT

**NOTES TO FINANCIAL STATEMENTS**

Year Ended September 30, 2017

**Note 1 - Summary of Significant Accounting Policies:**

**Reporting Entity**

*Valencia Water Control District*, (the "District") was established in May 1970 by Orange County, Florida under the authority of Chapters 298 and 72-291, Florida Statutes. The District was established for the purpose of storm water run-off that will minimize water pollution and maintain groundwater tables for the benefit of the landowners. In order to achieve these goals, several miles of canals, bridges, control structures, and other appurtenances have been constructed.

The District is governed by the Board of Supervisors (the "Board"), which is composed of five members. At present, the Supervisors are elected to a five-year term. Their length of service is staggered so that one supervisor is elected or re-elected by the landowners at the Annual landowners Meeting held in June each year. The Board of Supervisors of the District exercises all powers granted to the District pursuant to Chapter 298, Florida Statutes.

The Board has the final responsibility for, among other things:

1. Allocating 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 financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statements 14, 39, and 61. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District Board of Supervisors 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 the operations of the District.

VALENCIA WATER CONTROL DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2017

**Note 1 - Summary of Significant Accounting Policies (Continued):**

**Basic Financial Statements**

Separate financial statements are provided for proprietary funds. The District's enterprise fund is reported in the fund financial statements.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The enterprise fund financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Assessments are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Assessments, are non-ad valorem assessments imposed on all lands located within the District and benefited by the District's activities. The assessments are levied by the District prior to the start of the fiscal year which begins October 1st and ends on September 30th. These assessments are imposed upon all benefited lands located in the District.

Assessments and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period.

The District reports the following major proprietary fund:

**Water Control Fund** - This enterprise fund is used to account for the operations of the water control services within the District. The costs of providing services to the residents are recovered primarily through user assessments.

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

VALENCIA WATER CONTROL DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2017

**Note 1 - Summary of Significant Accounting Policies (Continued):**

**Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position**

**Deposits and Investments** - The District's cash and cash equivalents are considered to be cash on hand and demand deposits.

Investments of the District are reported at fair value and are categorized within the fair value hierarchy established in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. The District's investments consist of investments authorized in accordance with Section 218.415, Florida Statutes.

**Inventories** - Inventories are valued at cost which approximates market value using the first-in, first-out (FIFO) method.

**Prepaid Items** - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**Receivables** - Accounts receivable and assessments receivable are shown net of an allowance for uncollectible amounts.

**Capital Assets** - Capital assets, which include property, storm water improvements, equipment and infrastructure assets (e.g., drainage system, storm water system, and similar items), are reported in the applicable financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

VALENCIA WATER CONTROL DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2017

**Note 1 - Summary of Significant Accounting Policies (Continued):**

**Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position (Continued):**

**Capital Assets (Continued)** - Property, plant, and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<b>Assets</b>	<b>Years</b>
Canals and Ponds	25
Water Control Structures	15 - 25
Furniture and Equipment	5 - 10

**Deferred Outflows/Inflows of Resources** - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any item that qualifies for reporting in this category for the year ended September 30, 2017.

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, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District does not have any item that qualifies for reporting in this category for the year ended September 30, 2017.

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

**Other Disclosures**

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

VALENCIA WATER CONTROL DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2017

**Note 2 - Deposits:**

The District's cash balances were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

**Note 3 - Capital Assets:**

The following is a summary of changes in capital assets for the year ended September 30, 2017:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending Balance</b>
<b>Business-type Activities:</b>				
Capital Assets, not being depreciated:				
Land	\$ 700,120	\$ -	\$ -	\$ 700,120
Total capital assets, not being depreciated	700,120	-	-	700,120
Capital Assets Being Depreciated:				
Canals	2,888,690	-	-	2,888,690
Ponds	1,245,537	-	-	1,245,537
Water control structures	656,605	15,926	-	672,531
Furniture and equipment	12,767	-	-	12,767
Total capital assets, being depreciated	4,803,599	15,926	-	4,819,525
Less accumulated depreciation for:				
Canals	(2,888,690)	-	-	(2,888,690)
Ponds	(1,216,736)	(3,600)	-	(1,220,336)
Water control structures	(624,531)	(4,421)	-	(628,952)
Furniture and equipment	(11,638)	(650)	-	(12,288)
Total accumulated depreciation	(4,741,595)	(8,671)	-	(4,750,266)
Total capital assets being depreciated, net	62,004	7,255	-	69,259
Business-type activities capital assets, net	\$ 762,124	\$ 7,255	\$ -	\$ 769,379

VALENCIA WATER CONTROL DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2017

**Note 4 - Operating Lease:**

The District leases its facilities under a month to month operating lease. Total rental expense under the operating lease was \$12,620 for the year ended September 30, 2017.

**Note 5 - Deferred Compensation Plan:**

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits them to defer a portion of their compensation until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The plan and its assets are managed by an outside party.

Because the Plan Assets are held in trust for the exclusive benefit of plan participants and their beneficiaries, the Plan is not accounted for in the District's financial statements.

**Note 6 - Management Company:**

District Operations

The District has contracted with a management company ("GMS") to perform management services, which include financial and accounting services. Certain employees of GMS also serve as officers (Board appointed non-voting positions) of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting and other administrative costs.

**Note 7 - Risk Management:**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance from independent third parties. The District has not filed any claims under this commercial coverage during the last three years.

## **COMPLIANCE SECTION**

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

To the Board of Supervisors  
*Valencia Water Control District*

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 business-type activities of *Valencia Water Control District* (the "District") as of and for the year ended September 30, 2017, which collectively comprise the District's financial statements and have issued our report thereon dated June 25, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**MCDIRMIT DAVIS & COMPANY, LLC**  
934 NORTH MAGNOLIA AVENUE, SUITE 100 ORLANDO, FLORIDA 32803  
TELEPHONE: 407-843-5406 FAX: 407-649-9339 EMAIL: INFO@MCDIRMITDAVIS.COM

### Compliance and Other Matters

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

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

*McDiarmid Davis & Company, LLC*

Orlando, Florida  
June 25, 2018

## MANAGEMENT COMMENTS

Board of Supervisors  
*Valencia Water Control District*

We have audited the financial statements of *Valencia Water Control District* (the "District"), as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated June 25, 2018.

### 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 Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Auditor'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 in these reports, which are dated June 25, 2018, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, require that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no such findings 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. This information has been disclosed in the notes to the financial statements.

**MCDIRMIT DAVIS & COMPANY, LLC**  
934 NORTH MAGNOLIA AVENUE, SUITE 100 ORLANDO, FLORIDA 32803  
TELEPHONE: 407-843-5406 FAX: 407-649-9339 EMAIL: INFO@MCDIRMITDAVIS.COM

## **Financial Condition and Management**

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires 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 condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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 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.

## **Annual Financial Report**

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, requires us to apply appropriate procedures and communicate the results of our determination as to whether the annual financial report for the District for the fiscal year ended September 30, 2017, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2017. In connection with our audit, we determined that these two reports were in agreement.

## **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 which 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 of Supervisors and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*McDiernit Davis & Company, LLC*

Orlando, Florida  
June 25, 2018

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE  
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES**

To the Board of Supervisors  
*Valencia Water Control District*

We have examined *the Valencia Water Control District's* (the "District") compliance with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2017. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards issued by the Comptroller General of the United States*, and, accordingly, included examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.

*McDirmit Davis & Company, LLC*

Orlando, Florida  
June 25, 2018

## SECTION B

## **LICENSE AGREEMENT**

**THIS LICENSE AGREEMENT** (hereinafter referred to as the "Agreement") is made and entered into by and between **VALENCIA WATER CONTROL DISTRICT**, whose address is 10365 Orangewood Boulevard, Orlando, FL 32821 (hereinafter referred to as "VWCD") and **HUBBARD CONSTRUCTION COMPANY a Florida Corporation**, the address of which is 1936 Lee Road, Suite 300, Winter Park, FL 32789 (hereinafter referred to as "HUBBARD").

### **W I T N E S S E T H:**

**WHEREAS**, VWCD is the owner of the fee simple title to certain real property (hereinafter referred to as the "License Area"), described as follows:

**See EXHIBIT "A", ATTACHED HERETO AND MADE A PART HEREOF  
BY REFERENCE.**

**WHEREAS**, HUBBARD desires a license over and across a portion of the License Area to provide ingress and egress over the License Area solely for the use of vehicles and equipment for temporary construction in the License Area, more fully described hereinbelow; and

**WHEREAS**, subject to the terms and conditions of this Agreement, VWCD agrees to grant to HUBBARD the license set forth herein for the limited purposes as set forth herein.

**NOW THEREFORE**, for and in consideration of the payment of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration paid by HUBBARD to VWCD, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. Grant of License. VWCD hereby grants and conveys to HUBBARD a license for ingress and egress within the License Area for the limited purpose of installing temporary sheet pile in the VWCD C-10 canal, which consists of placement of a 30 ft. steel plate in the canal and placement of a temporary concrete barrier to allow for the installation of erosion protection measures downstream of the drainage system crossing under SR 528. HUBBARD shall be responsible for maintaining all stormwater flow in the canal while the steel plate is in place. HUBBARD further acknowledges that it shall be solely responsible for any and all permits and/or authorizations in connection with such access and all of its activities related to the License Area, and VWCD makes no representations or warranties whatsoever related to such matters. HUBBARD shall provide to VWCD copies of any and all such required permits and/or authorizations, proof of insurance for all permitted activities hereunder, as more specifically provided in Paragraph 2 hereunder, and HUBBARD hereby agrees to indemnify, defend, save and hold harmless VWCD from and against any and all loss, damage, cost, liability, and expense whatsoever in any way related to, connected with or arising out of any of the activities of HUBBARD conducted on the License Area or any portion thereof, except to the extent caused by the acts and omissions of VWCD, such indemnity to include, without limitation, reasonable legal costs and expenses such as attorneys', paralegals' and legal assistants' fees, whether in trial, declaratory actions, appellate proceedings, in bankruptcy court and/or post judgment proceedings. HUBBARD further agrees that, upon any termination of the license as provided hereunder, it shall restore, at HUBBARD's sole cost and expense, all portions of the License Area used by HUBBARD to a similar condition as existed prior to such activities, including, but not limited to, removal of the steel plate, and restoration and resodding of any damaged grass areas. HUBBARD shall also take all other reasonable actions required by VWCD in connection with its use of the License Area and shall not interfere with or disrupt VWCD's use of the License Area.

2. Lien-Free Work; Insurance. HUBBARD acknowledges and agrees that it shall cause its activities on the License Area to be performed in a lien-free manner which shall result

in no liens being imposed upon any portion of the License Area, including the License Area, and shall be responsible for the payment of all sums related to such activities, including the prompt bonding and removal of any liens or claims of lien which may purport to create any encumbrance over all or any portion of the License Area. HUBBARD shall not permit the utilization of any hazardous substances in the License Area in connection with its activities, except in commercially reasonable quantities required for HUBBARD's use and purposes. HUBBARD shall be obligated to fully clean up any leaks, spills or deposits of any hazardous substances, petroleum or petroleum-related products which may occur in connection with the activities contemplated under this license, to the full extent required to restore the License Area and any other portion of the License Area to a condition free of such substances and to the full extent required by any applicable governmental jurisdictions. HUBBARD further agrees to carry, or require HUBBARD's contractor to carry, at its own cost and expense, to afford protection against any and all claims for personal injury, death or property damage occurring in, upon, adjacent to, or connected with the License Area, a liability insurance policy from a company reasonably satisfactory to VWCD, with minimum limits for public liability insurance in the amount of one million dollars (\$1,000,000.00), together with worker's compensation coverage and such other insurance and coverages as may be reasonably required by VWCD in such amounts as are reasonably required by VWCD. Copies of certificates evidencing all such insurance policies shall be provided to VWCD, upon request by VWCD. Regardless of the adequacy of said insurance required hereunder, HUBBARD shall indemnify, save and hold harmless and insure VWCD from and against any and all cost, expense, fee, damage, injury, or other liability caused in connection with or arising out of, directly or indirectly, the placing of liens on the License Area as a result of the activities of HUBBARD under this Agreement, including, without limitation, reasonable legal costs and expenses such as attorneys', paralegals' and legal assistants' fees, whether in trial, declaratory actions, appellate proceedings, in bankruptcy court and/or post judgment proceedings.

3. Duration; Relocation. Unless sooner terminated as provided hereinbelow, the license hereby granted, created and declared shall terminate on **July 31, 2018**, unless sooner terminated as provided hereinbelow. Upon such termination, HUBBARD shall comply with its obligations of restoration, at the option of VWCD, and with all other obligations as set forth herein. The parties further agree that the license hereby granted may be terminated and revoked by VWCD in its entirety, at the sole option and absolute discretion of VWCD at any time during the term of this Agreement. In the event any such termination by VWCD is the result of a default by HUBBARD of its obligations hereunder, such termination shall be effective immediately upon notification from VWCD to HUBBARD of same. In the event of any termination of the license granted hereunder which is not associated with any default by HUBBARD hereunder, VWCD shall provide HUBBARD five (5) days' prior written notice of the termination of the grant of license as permitted hereunder.

4. Default and Remedies. In the event either party fails to perform any of the covenants or meet any obligations imposed pursuant to this Agreement, the non-defaulting party shall be entitled to all rights and remedies permitted by law, including without limitation, the right to proceed in equity with an action for injunction or specific performance to enforce its rights under this Agreement.

5. No Warranty. HUBBARD in its sole discretion has determined that the license hereby granted is sufficient for HUBBARD's intended purposes of ingress and egress for the activities contemplated, and VWCD makes no representations or warranties as to the sufficiency of the license hereby granted for such intended purposes.

6. Miscellaneous Provisions.

A. Entire Agreement. This Agreement contains the entire agreement between the parties hereto with regard to the subject matter hereof, merges and extinguishes all prior negotiations and understandings between the parties and shall be binding upon the parties hereto, their successors and assigns.

C. **Notices.** All notices required or permitted hereunder shall be in writing and shall be deemed to be given when delivered personally or by receipted overnight delivery service, or three (3) days after mailing by registered or certified U.S. Mail, Return Receipt Requested, postage prepaid, addressed to the party for whom it is intended as follows:

**VWCD:** Valencia Water Control District  
10365 Orangewood Boulevard  
Orlando, Florida 32821

E. No Recording of Memorandum of Agreement. This Agreement shall not constitute a covenant running with the land described herein. Except as otherwise set forth herein neither this Agreement nor any Memorandum hereof may be recorded by any party among the Public Records of Orange County, Florida, or in any other public records.

**G. Litigation.** In connection with any litigation arising out of this Agreement, the prevailing party in such litigation shall be entitled to recover all costs incurred therein from the other party, including attorneys', paralegals' and legal assistants' fees incurred in trial, declaratory actions, appellate proceedings, post judgment proceedings and bankruptcy court.

5

I. No Public Rights Created. Nothing herein shall create or be construed to create any rights in and/or for the benefit of the general public in or to the License Area or the license granted hereby.

**IN WITNESS WHEREOF**, VWCD and HUBBARD have executed this Ingress and Egress License Agreement in manner and form sufficient to bind them as of the dates set forth hereinbelow.

Signed, sealed  
and delivered in the  
presence of:

  
\_\_\_\_\_  
Witness

WILLIAM DUMAS  
\_\_\_\_\_  
Printed Name

  
\_\_\_\_\_  
Witness

VICTORIA CLARK  
\_\_\_\_\_  
Printed Name

STATE OF FLORIDA  
COUNTY OF ORANGE

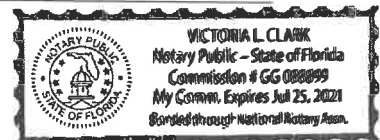
HUBBARD CONSTRUCTION COMPANY

By: P. Frederick O'Dea Jr  
Printed Name: P. FREDERICK O'DEA, JR.  
Title: Vice President & Secretary

The foregoing instrument was acknowledged before me this 26<sup>th</sup> day of JUNE, 2018 by P. FREDERICK O'DEA, JR, as V.P. & SECRETARY of HUBBARD CONSTRUCTION COMPANY He/she is personally known to me or produced as identification.

(NOTARY SEAL)

Notary Public Victoria L. Clark  
Name  
Commission No.:  
My Commission Expires:



[Signature]  
Witness

Stacie M. Vanderbilt  
Printed Name

[Signature]  
Witness

Lauren R. Vanderveer  
Printed Name

VALENCIA WATER CONTROL DISTRICT.

By: [Signature]  
Printed Name: JAMESA GERARD  
Title: PRESIDENT

STATE OF FLORIDA  
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 29<sup>th</sup> day of June, 2018 by James Gerard, as President of VALENCIA WATER CONTROL DISTRICT. He she is personally known to me or produced as identification.

(NOTARY SEAL)



Notary Public [Signature]  
Name: Stacie M. Vanderbilt  
Commission No.: FF980104  
My Commission Expires: 7/29/2020

**EXHIBIT "A" - LICENSE AREA**

A portion of the C-10 canal, parcel ID: 07-24-29-5085-00-000;  
LIME TREE VILLAGE 7/72 PART OF PLAT DESIGNATED AS CANAL & IN WILLIS R MUNGERS LAND SUB P8  
E/22 THAT PT OF CANAL DESC IN 2593/1260 LYING WLY OF SAID CANAL IN LIME TREE VILLAGE

Beginning at a Point 30.00' Easterly along the boundary from the Northwest corner of said parcel, thence South 40.00 ft., thence East 200.00 ft., then North 40.00 ft., then W 200.0 ft. to the Point of Beginning.

