

**RANGER DRAINAGE DISTRICT
ORLANDO, FLORIDA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2018**

**RANGER DRAINAGE DISTRICT
ORLANDO, FLORIDA**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Ranger Drainage District
Orlando, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of Ranger Drainage District, Orlando, Florida (the "District") as of and for the fiscal year ended September 30, 2018, 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 the District as of September 30, 2018, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the accompanying financial statements, the District adopted the recognition and disclosure requirements of Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The net position balance of the governmental activities as of October 1, 2017 has been restated. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedule of changes in the District's total OPEB liability and related ratios 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 11, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

We have also issued our report dated June 11, 2019, on our consideration of the District's compliance with the requirements of Section 218.415, Florida Statutes, as required by Rule 10.556(10) of the Auditor General of the State of Florida. The purpose of that report is to provide an opinion based on our examination conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

June 11, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Ranger Drainage District, Orlando, Florida ("District") provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 2018. 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.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year resulting in a net position balance of \$6,317,764.
- The District's total net position, beginning was restated for the effect of adoption of Governmental Accounting Standards Board (GASB) Statement 75. The restatement is reflected in the current fiscal year's beginning net position. The restatement decreased beginning net position by (\$33,835).
- The change in the District's total net position in comparison with the prior fiscal year was (\$171,428), a decrease. The key components of the District's net position and change in net position are reflected in the table in the following section.
- At September 30, 2018, the District's governmental fund reported ending fund balance of \$765,090, an increase of \$97,932 in comparison with the prior fiscal year. A portion of fund balance is non-spendable for deposits and prepaid items, restricted for debt service, assigned to subsequent year's expenditures and the remainder is unassigned fund balance which is available for spending at the District's discretion.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as the introduction to the District's basic 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 government'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, revenues 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 assessments. The District does not have any business-type activities. The governmental activities of the District include the general government (management) and maintenance functions.

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

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.

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 outflow 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 financing 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 balances 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 in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, which is considered 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.

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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the District, assets exceeded liabilities at the close of the most recent fiscal year.

Key components of the District's net position are reflected in the following table:

	NET POSITION SEPTEMBER 30,	
	2018	2017
Current and other assets	\$ 1,030,240	\$ 911,237
Capital assets, net of depreciation	6,223,540	6,814,257
Total assets	<u>7,253,780</u>	<u>7,725,494</u>
Current liabilities	180,409	163,022
Long-term liabilities	755,607	1,039,445
Total liabilities	<u>936,016</u>	<u>1,202,467</u>
Net position		
Net investment in capital assets	5,581,782	5,846,297
Restricted	25,117	75,626
Unrestricted	710,865	601,104
Total net position	<u>\$ 6,317,764</u>	<u>\$ 6,523,027</u>

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The District's net position reflects its investment in capital assets (e.g. land, land improvements, and infrastructure); less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to residents; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the District's other obligations.

The District's net position decreased during the most recent fiscal year. The majority of the decrease represents the extent to which the cost of operations and depreciation expense exceeded ongoing program revenues.

Key elements of the change in net position are reflected in the following table:

	CHANGES IN NET POSITION FOR THE FISCAL YEAR ENDED SEPTEMBER 30,	
	2018	2017
Revenues:		
Program revenues		
Charges for services	\$ 1,626,224	\$ 1,572,745
Operating grants and contributions	18,000	18,000
General revenues		
Interest and miscellaneous income	37,240	77,854
Total revenues	<u>1,681,464</u>	<u>1,668,599</u>
Expenses:		
General government	840,026	944,822
Maintenance and operations	986,963	881,741
Interest	25,903	28,705
Total expenses	<u>1,852,892</u>	<u>1,855,268</u>
Change in net position	(171,428)	(186,669)
Net position - beginning, previously stated	6,523,027	6,709,696
Prior period adjustment (see Note 2)	<u>(33,835)</u>	-
Net position - beginning, as restated	<u>6,489,192</u>	<u>6,709,696</u>
Net position - ending	<u>\$ 6,317,764</u>	<u>\$ 6,523,027</u>

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2018 was \$1,852,892. The costs of the District's activities were primarily funded by program revenues. Program revenues, comprised primarily of assessments, increased during the fiscal year primarily as a result of an increase in permit revenue. Total expenses in the current fiscal year were consistent with prior year expenses.

GENERAL BUDGETING HIGHLIGHTS

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget 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, 2018.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2018, the District had \$10,163,784 invested in capital assets. In the government-wide financial statements depreciation of \$3,940,244 has been taken, which resulted in a net book value of \$6,223,540. More detailed information about the District's capital assets is presented in the notes of the financial statements.

Capital Debt

At September 30, 2018, the District had a \$475,000 Note payable outstanding and \$166,758 in capital leases outstanding for its governmental activities. More detailed information about the District's capital debt is presented in the notes of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND OTHER EVENTS

For the subsequent fiscal year, the District anticipates operation costs to remain fairly consistent.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, land owners, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the Ranger Drainage District at 19950 Nugent Street, Orlando, Florida, 32833.

**RANGER DRAINAGE DISTRICT
ORLANDO, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2018**

	Governmental Activities
ASSETS	
Cash	\$ 836,794
Assessments receivable	94,403
Due from other government	18,000
Deposits and prepaid items	1,426
Restricted assets:	
Cash	79,617
Capital assets:	
Nondepreciable	145,590
Depreciable, net	6,077,950
Total assets	7,253,780
 LIABILITIES	
Accounts payable and accrued expenses	125,909
Deposits - payable from restricted assets	54,500
Non-current liabilities:	
Due within one year:	
Note payable	235,000
Capital lease	65,782
Due in more than one year:	
Note payable	240,000
Capital lease	100,976
Compensated absences	24,604
Other Post Employment Benefit (OPEB) liability	89,245
Total liabilities	936,016
 NET POSITION	
Net investment in capital assets	5,581,782
Restricted for debt service	25,117
Unrestricted	710,865
Total net position	\$ 6,317,764

See notes to the financial statements

**RANGER DRAINAGE DISTRICT
ORLANDO, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018**

	Major Fund General	Total Governmental Funds
ASSETS		
Cash	\$ 836,794	\$ 836,794
Due from other government	18,000	18,000
Assessments receivable	94,403	94,403
Deposits and prepaid items	1,426	1,426
Cash-restricted	79,617	79,617
Total assets	\$ 1,030,240	\$ 1,030,240
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
Liabilities:		
Accounts payable and accrued expenses	\$ 125,909	\$ 125,909
Deposits payable	54,500	54,500
Total liabilities	180,409	180,409
 Deferred Inflows of Resources:		
Unavailable revenue	84,741	84,741
 Fund Balances:		
Non-spendable:		
Deposits and prepaid items	1,426	1,426
Restricted for:		
Debt service	25,117	25,117
Assigned to:		
Subsequent year's expenditures	152,300	152,300
Unassigned	586,247	586,247
Total fund balances	765,090	765,090
 Total liabilities, deferred inflows of resources and fund balances		
	\$ 1,030,240	\$ 1,030,240

See notes to the financial statements

**RANGER DRAINAGE DISTRICT
ORLANDO, FLORIDA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2018**

Fund balance - governmental funds \$ 765,090

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The statement of net position includes those capital assets, net of any accumulated depreciation, in the net position of the government as a whole.

Cost of capital assets	10,163,784	
Accumulated depreciation	<u>(3,940,244)</u>	6,223,540

Assets recorded in the governmental fund financial statements that are not available to pay for current-period expenditures are unavailable revenue in the governmental funds.

84,741

Liabilities not due and payable from current available resources are not reported as liabilities in the governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide financial statements.

Capital lease payable	(166,758)	
Note payable	(475,000)	
Total Other Post Employment Benefit obligation	<u>(89,245)</u>	(731,003)

Compensated absences due and payable after the next fiscal year are not reported as a liability on the governmental funds balance sheet.

(24,604)

Net position of governmental activities		<u>\$ 6,317,764</u>
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See notes to the financial statements

**RANGER DRAINAGE DISTRICT
ORLANDO, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Major Fund General	Total Governmental Funds
REVENUES		
Assessments	\$ 1,430,016	\$ 1,430,016
Grant revenue	18,000	18,000
Interest and miscellaneous income	37,240	37,240
Permit revenue	192,524	192,524
Total revenues	1,677,780	1,677,780
EXPENDITURES		
Current:		
General government	831,497	831,497
Maintenance and operations	350,215	350,215
Debt service:		
Principal	326,202	326,202
Interest	25,903	25,903
Capital outlay	46,031	46,031
Total expenditures	1,579,848	1,579,848
Excess (deficiency) of revenues over (under) expenditures	97,932	97,932
Fund balances - beginning	667,158	667,158
Fund balances - ending	\$ 765,090	\$ 765,090

See notes to the financial statements

**RANGER DRAINAGE DISTRICT
ORLANDO, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - total governmental funds	\$	97,932
Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of those assets is eliminated and capitalized as capital assets.		46,031
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental fund financial statements.		84,741
Repayment of long-term liabilities are reported as expenditures in the governmental fund statement but such repayments reduce liabilities in the statement of net position and are eliminated in the statement of activities.		326,202
Certain revenues were unavailable for the governmental fund financial statements in the prior fiscal year. In the current fiscal year, these revenues were recorded in the governmental fund financial statements.		(81,057)
The change in compensated absences between the current and prior fiscal year is reported in the statement of activities but is not reported as expenditures in governmental funds.		(1,119)
Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the funds. The details of the differences are as follows:		
Depreciation of capital assets		(636,748)
Other Post Employment Benefit expense		<u>(7,410)</u>
Change in net position of governmental activities	\$	<u><u>(171,428)</u></u>

See notes to the financial statements

**RANGER DRAINAGE DISTRICT
ORLANDO, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY

Ranger Drainage District ("District") was created in 1970 by Circuit Court Order Number 69-2558, Laws of Florida, under the provisions of Chapter 298, Florida Statutes. The District was established for the purposes of constructing and maintaining systems of drainage and flood control within the District in east Orange County, Florida. The District is governed by the Board of Supervisors ("Board"), which is composed of three members. The Supervisors are elected by the owners of the property within the District. The Board of Supervisors exercise all powers granted to the District pursuant to Chapter 298.36, Florida Statutes.

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 financial statements were 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 the operations of the District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment (operating-type special assessments for maintenance and debt service are treated as charges for services) and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not included among program revenues are reported instead as *general revenues*.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. For grant revenue, amounts are recognized as revenues as soon as all eligibility requirements have been met. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Assessments

Assessments are non-ad valorem assessments levied on benefited lands within the District to pay for the operations and maintenance of the District. The fiscal year for which annual assessments are levied begins on October 1 with discounts available for payments through February 28 and become delinquent on April 1. The District's annual assessments are mostly billed and collected by the County Tax Assessor/Collector. The amounts remitted to the District are net of applicable discounts or fees. In addition, amounts remitted by the County Tax Assessor/Collector include interest on monies held from the day of collection to the day of distribution.

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

The District reports the following major governmental funds:

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.

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

Assets, Liabilities and Net Position or Equity

Restricted Assets

These assets represent cash and investments set aside pursuant to debt covenants or other contractual restrictions.

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and demand deposits (interest and non-interest bearing).

The District has elected to proceed under the Alternative Investment Guidelines as set forth in Section 218.415 (17) Florida Statutes. The District may invest any surplus public funds in the following:

- a) The Local Government Surplus Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act;
- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
- c) Interest bearing time deposits or savings accounts in qualified public depositories;
- d) Direct obligations of the U.S. Treasury.

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due. In addition, surplus funds may be deposited into certificates of deposit which are insured.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Deposits and Investments (Continued)

The District records all interest revenue related to investment activities in the respective funds. Investments are measured at amortized cost or reported at fair value as required by generally accepted accounting principles.

Inventories and Prepaid Items

Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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.

Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, fences, canals and dikes and similar items) are reported in the government activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 (amount not rounded) 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.

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.

Property, infrastructure and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

	<u>Asset</u>	<u>Years</u>
	Building	40
	Drainage improvements	15
	Equipment, furniture and fixtures	5-7
	Leased equipment	7-10

In the governmental fund financial statements, amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported in the governmental fund financial statements.

Compensated Absences

It is the District's policy to permit employees to accumulate, within certain limits, earned but unused personal leave. Employees with 1-5 years full time service accumulate 1.7 days per month and over 5 years accumulate 2.1 days per month. A maximum of 30 days is allowed to be carried over from year to year. Compensated absences are reported as accrued in the government-wide financial statements. Governmental funds report only matured compensated absences payable for example if employees resign or are terminated.

Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Note premiums and discounts are deferred and amortized over the life of the Notes. Notes payable are reported net of applicable premiums or discounts. Issuance costs are reported as an expense in the year incurred.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Long-Term Obligations (Continued)

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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.

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.

Fund Equity/Net Position

In the fund financial statements, governmental funds report non spendable and restricted fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change.

The District can establish limitations on the use of fund balance as follows:

Committed fund balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Supervisors. Commitments may be changed or lifted only by the Board of Supervisors taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned fund balance – Includes spendable fund balance amounts established by the Board of Supervisors that are intended to be used for specific purposes that are neither considered restricted nor committed. The Board may also assign fund balance as it does when appropriating fund balance to cover differences in estimated revenue and appropriations in the subsequent year's appropriated budget. Assignments are generally temporary and normally the same formal action need not be taken to remove the assignment.

The District first uses committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net position is the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position in the government-wide financial statements are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents net position related to infrastructure and property, plant and equipment. Restricted net position represents the assets restricted by the District's Bond covenants or other contractual restrictions. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

New Accounting Standards Adopted

During fiscal year 2018, the District adopted four new accounting standards as follows:

GASB Statement No. 75 - Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions

This Statement establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities.

The implementation of GASB 75 had the following effect on beginning net position in fiscal year 2018:

	Governmental Activities
Net position, previously stated	\$ 6,523,027
Adjustment for total OPEB liability	(33,835)
Net position, restated	<u>\$ 6,489,192</u>

GASB Statement No. 81 - Irrevocable Split-Interest Agreements

The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

GASB Statement No. 85 - Omnibus 2017

The objective of this Statement is to improve consistency in accounting and financial reporting by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

GASB Statement No. 86 - Certain Debt Extinguishment Issues

The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

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.

NOTE 3 – BUDGETARY INFORMATION

The District is required to establish a budgetary system and an approved Annual Budget. Annual Budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. All annual appropriations lapse at fiscal year-end.

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

- a) Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
- b) Public hearings are conducted to obtain public comments.
- c) Prior to October 1, the budget is legally adopted by the District Board.
- d) All budget changes must be approved by the District Board.
- e) The budgets are adopted on a basis consistent with generally accepted accounting principles.
- f) Unused appropriation for annually budgeted funds lapse at the end of the year.

NOTE 4 – 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 5 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2018 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Governmental activities</u>				
Capital assets, not being depreciated				
Land	\$ 130,069	\$ -	\$ -	\$ 130,069
Infrastructure under construction	-	15,521	-	15,521
Total capital assets, not being depreciated	<u>130,069</u>	<u>15,521</u>	<u>-</u>	<u>145,590</u>
Capital assets, being depreciated				
Building	344,000	3,450	-	347,450
Drainage improvements	7,955,340	-	-	7,955,340
Equipment, furniture and fixtures	383,622	27,060	(25,622)	385,060
Leased equipment	1,330,344	-	-	1,330,344
Total capital assets, being depreciated	<u>10,013,306</u>	<u>30,510</u>	<u>(25,622)</u>	<u>10,018,194</u>
Less accumulated depreciation for:				
Building	(139,401)	(8,601)	-	(148,002)
Drainage improvements	(1,861,334)	(530,356)	-	(2,391,690)
Equipment, furniture and fixtures	(311,523)	(22,682)	25,622	(308,583)
Leased equipment	(1,016,860)	(75,109)	-	(1,091,969)
Total accumulated depreciation	<u>(3,329,118)</u>	<u>(636,748)</u>	<u>25,622</u>	<u>(3,940,244)</u>
Total capital assets, being depreciated, net	<u>6,684,188</u>	<u>(606,238)</u>	<u>-</u>	<u>6,077,950</u>
Governmental activities capital assets	<u>\$ 6,814,257</u>	<u>\$ (590,717)</u>	<u>\$ -</u>	<u>\$ 6,223,540</u>

Depreciation expense was charged to the maintenance and operations function.

NOTE 6 – LONG-TERM LIABILITIES

Note Payable

On July 22, 2013, the District entered into a loan agreement with SunTrust Bank to refinance a previous loan. The loan was issued for \$1,600,000 at an interest rate of 2.35% and is due in May 2020. Interest is to be paid semiannually on each May 1 and November 1. Principal on the Note is to be paid serially commencing May 1, 2014 through May 1, 2020.

The Note is subject to redemption at the option of the District prior to the maturity as outlined in the Note agreement.

Long-term Debt activity

Changes in long-term liability activity for the fiscal year ended September 30, 2018 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
Note payable	\$ 710,000	\$ -	\$ (235,000)	\$ 475,000	\$ 235,000
Capital lease	257,960	-	(91,202)	166,758	65,782
Compensated absences	23,485	32,079	(30,960)	24,604	-
Total	\$ 991,445	\$ 32,079	\$ (357,162)	\$ 666,362	\$ 300,782

At September 30, 2018, the scheduled debt service requirements on the note payable were as follows:

Year ending September 30:	Governmental Activities		
	Principal	Interest	Total
2019	\$ 235,000	\$ 11,163	\$ 246,163
2020	240,000	5,640	245,640
Total	\$ 475,000	\$ 16,803	\$ 491,803

NOTE 7 – CAPITAL LEASES

In November 2013, August 2015, and June 2017, the District entered into leases with options to purchase equipment. The lease agreements qualified as capital leases for accounting purposes and, therefore, have been recorded at present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

Asset:	Governmental Activities
Machinery and Equipment	\$ 461,798
Less: Accumulated depreciation	(223,424)
Total	\$ 238,374

The future minimum lease payments as of September 30, 2018 are as follows:

Year ending September 30,	Governmental Activities
2019	\$ 70,462
2020	38,558
2021	38,558
2022	28,919
Total minimum lease payments	176,497
Less: amount representing interest	(9,739)
Present value of minimum lease payments	\$ 166,758

NOTE 8 – DEFERRED COMPENSATION PLAN

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 which is administered by Edward Jones. The plan is available to full-time employees meeting minimum age, compensation, and length of service requirements. For the current fiscal year, the District's contribution to the plan was \$52,116, which was payable at September 30, 2018.

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The District administers an employee group medical insurance plan that provides medical insurance benefits to its employees. In accordance with Section 112.081 of the Florida Statutes, because the District provides a medical plan to active employees, the District must also provide retirees and their eligible dependents to participate in the District's health insurance program at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. Retirees must contribute an amount determined periodically by the insurance carrier equal to 100% of the applicable health insurance premium. There are no minimum required employer contributions. Benefit provisions are established and may be amended by the Board of Supervisors. The plan has no assets accumulated in a GASB-compliant trust. The plan does not issue separate financial statements.

At September 30, 2018, the following employees were covered by benefit terms:

Inactive employees or beneficiaries currently receiving benefits	-
Inactive employees entitled to, but not yet receiving benefits	-
Active employees	<u>7</u>
	<u>7</u>

Changes in Total OPEB Liability

Sources of changes in the total OPEB liability were as follows:

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Beginning balance	\$ 81,835	\$ -	\$ 81,835
Changes due to:			
Service cost	4,314	-	4,314
Expected interest growth	3,135	-	3,135
Benefit payments and refunds	(39)	-	(39)
Ending balance	<u>\$ 89,245</u>	<u>\$ -</u>	<u>\$ 89,245</u>

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Actuarial Assumptions

Significant actuarial assumptions used to calculate the total OPEB liability were as follows:

Measurement date	September 30, 2018
Actuarial valuation date	October 1, 2017
Actuarial assumptions:	
Discount rate	3.64% per year; this rate was used to discount all future benefit payments and is based on the return on the S&P Municipal Bond 20-year High Grade Index as of the measurement date.
Salary increases	3% per year
Cost-of-living increases	Retiree contributions, health insurance premiums, and the implied subsidy have been assumed to increase in accordance with the healthcare cost trend rates
Healthcare cost trend rates	Increases in healthcare costs are assumed to be 8.00% for the 2017/18 fiscal year graded down by 0.50% per year to 5.00% for the 2023/24 and later fiscal years.
Age-related morbidity	Healthcare costs are assumed to increase at the rate of 3.50% for each year of age.
Implied subsidy	Because the insurance carrier charges the same monthly rate for health insurance regardless of age, an implied monthly subsidy of \$475.00 per individual has been assumed at age 62 for the 2017/2018 fiscal year; at other ages, the implied subsidy was developed based on the age-related morbidity assumption and, for other fiscal years, the implied subsidy was increased in accordance with the healthcare cost trend rates. The implied subsidy is assumed to disappear at age 65.
Mortality basis	Sex-distinct rates set forth in the RP-2000 Combined Mortality Table, with full generational improvements in mortality using Scale BB.
Retirement	Retirement is assumed to occur at age 62 with six years of service or at any age with 30 years of service.
Other decrements	Assumed employment termination is based on the Scale 155 table; assumed disability is based on the Wyatt 1985 Disability Study (Class 1).
Coverage election	50% of eligible employees are assumed to elect single medical coverage upon retirement or disability.
COBRA:	Future healthcare coverage provided solely pursuant to COBRA was not included in the OPEB valuation; because the COBRA premium is determined periodically based on plan experience, the COBRA premium to be paid by the participant is assumed to fully cover the cost of providing healthcare coverage during the relevant period.
Changes:	No assumptions were changed since the prior measurement date.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.64%) or 1-percentage-point higher (4.64%) than the current discount rate:

1% Decrease (2.64%)	Current Discount Rate (3.64%)	1% Increase (4.64%)
\$ 98,910	\$ 89,245	\$ 80,745

Sensitivity of the Total OPEB Liability Using Alternative Healthcare Cost Trend Rates

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7% decreasing to 4%) or 1-percentage-point higher (9% increasing to 6%) than the current healthcare cost trend rates:

1% Decrease	Healthcare Cost Trend Rates (8% Graded Down to 5%)	1% Increase
\$ 78,502	\$ 89,245	\$ 102,004

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

OPEB Expense

For the year ended September 30, 2018, the District recognized OPEB expense of \$7,410.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

County Road Damage

During the fiscal year ended September 30, 2015, Orange County notified the District that one of the District's contractors had damaged a County road during the Unit 11A construction. The District paid the contractor in full for the construction contract. The county made the repairs and they cost approximately \$200,000. The District filed a lawsuit against the contractor, the contractor's sub-contractor, and the contractor's bonding company. The lawsuit was settled in the prior fiscal year as the District accepted the contractor's offer of \$150,000, and agreed to divide the settlement between Orange County (\$110,000) and the District (\$40,000). The \$40,000 was collected during the current fiscal year and was included in receivables at September 30, 2017.

NOTE 11 – ORANGE COUNTY AGREEMENT

During the prior fiscal year, the District amended its agreement with Orange County for certain right-of-way maintenance. Pursuant to the amendment, the County agreed to reimburse the District \$18,000 per fiscal year for its share of the increased maintenance cost for unpaved right of way. Pursuant to the agreement, the District recognized \$18,000 for the current fiscal year related to the agreement which was included in receivables at September 30, 2018.

NOTE 12 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. There were no settled claims during the past three years.

**RANGER DRAINAGE DISTRICT
ORLANDO, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Budgeted Amounts Original & Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Assessments	\$ 1,433,700	\$ 1,430,016	\$ (3,684)
Grant revenue	-	18,000	18,000
Interest and miscellaneous income	25,000	37,240	12,240
Permit revenue	50,000	192,524	142,524
Total revenues	1,508,700	1,677,780	169,080
EXPENDITURES			
Current:			
General government	890,800	831,497	59,303
Maintenance and operations	377,100	350,215	26,885
Debt service			
Principal	324,897	326,202	(1,305)
Interest	25,903	25,903	-
Capital outlay	-	46,031	(46,031)
Total expenditures	1,618,700	1,579,848	38,852
Excess (deficiency) of revenues over (under) expenditures	(110,000)	97,932	207,932
OTHER FINANCING SOURCES			
Use of fund balance	110,000	-	(110,000)
Total other financing sources	110,000	-	(110,000)
Net change in fund balance	\$ -	97,932	\$ 97,932
Fund balances - beginning		667,158	
Fund balance - ending		\$ 765,090	

See notes to required supplementary information

**RANGER DRAINAGE DISTRICT
ORLANDO, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

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 budget 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, 2018.

**RANGER DRAINAGE DISTRICT
ORLANDO, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN DISTRICT'S NET OPEB LIABILITY
AND RELATED RATIOS**

	2018
Beginning balance	\$ 81,835
Changes due to:	
Service cost	4,314
Expected interest growth	3,135
Benefit payments and refunds	(39)
Ending balance	\$ 89,245
 Covered payroll	 \$ 265,340
 Total OPEB liability as a percentage of covered payroll	 33.63%

The information for previous years is not available.



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
Ranger Drainage District
Orlando, 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 Ranger Drainage District, Orlando, Florida ("District") as of and for the fiscal year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated June 11, 2019, which includes an emphasis of matter paragraph.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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.

June 11, 2019



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY
RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Board of Supervisors
Ranger Drainage District
Orlando, Florida

We have examined Ranger Drainage District, Orlando, Florida's ("District") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2018. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced in Section 218.415, Florida Statutes. An examination involves performing procedures to obtain evidence about whether the 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 the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2018.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, management, and the Board of Supervisors of Ranger Drainage District, Orlando, Florida and is not intended to be and should not be used by anyone other than these specified parties.

June 11, 2019



**MANAGEMENT LETTER PURSUANT TO THE RULES OF
THE AUDITOR GENERAL FOR THE STATE OF FLORIDA**

To the Board of Supervisors
Ranger Drainage District
Orlando, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of Ranger Drainage District, Orlando, Florida ("District"), as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated June 11, 2019, which includes an emphasis of matter paragraph.

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 the 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 those reports, which are dated June 11, 2019, should be considered in conjunction with this management letter.

Purpose of this Letter

The purpose of this letter is to comment on those matters required by Chapter 10.550 of the Rules of the Auditor General for the State of Florida. Accordingly, in connection with our audit of the financial statements of the District, as described in the first paragraph, we report the following:

- I. Current year findings and recommendations.**
- II. Status of prior year findings and recommendations.**
- III. Compliance with the Provisions of the Auditor General of the State of Florida.**

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, as applicable, management, and the Board of Supervisors of Ranger Drainage District, Orlando, Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank Ranger Drainage District, Orlando, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements, and the courtesies extended to us.

June 11, 2019

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

2017-01 Budget:

Current Status: Recommendation has been implemented.

III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2017, except as noted above.

2. Any recommendations to improve the local governmental entity's financial management.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2018.

3. 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.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2018.

4. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.

5. The District has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.

6. We applied financial condition assessment procedures and no deteriorating financial conditions were noted as of September 30, 2018. It is management's responsibility to monitor 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.