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# **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**



## **Audit of the Indian River Lagoon Specialty License Tag Fund**

**Audit #00-10**

**Prepared by  
Office of Inspector General**

**Allen Vann, Inspector General  
Gregory Rogers, Lead Consulting Auditor**

## **Report of Certified Public Accountant**

We have audited the accompanying financial statements of the Indian River Lagoon Specialty License Tag Fund (the "Fund"), a fund of the South Florida Water Management District, (the "District"), as of the year ended September 30, 1999. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on whether the Fund's expenditures were made in accordance with Florida Statutes sections 320.08056 and 320.08058.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Governmental Auditing Standards (1994 Revision), 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 includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

The scope of our audit was limited to the Fund's financial statements and determination of the Fund's compliance with Florida Statutes sections 320.08056 and 320.08058.

The Certified Public Accountant is an employee of the South Florida Water Management District but is considered organizationally independent in accordance with Governmental Auditing Standards.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund as of September 30, 1999, in conformity with generally accepted accounting principles, and the Fund's expenditures are in compliance with Florida Statutes sections 320.08056 and 320.08058.

West Palm Beach  
June 21, 2000

INDIAN RIVER LAGOON SPECIALTY LICENSE TAG FUND

SPECIAL REVENUE FUND  
BALANCE SHEET  
September 30, 1999

INDIAN  
RIVER  
LAGOON  
RESTORATION

ASSETS

Cash and Investments (3)	\$	360,490
Accounts Receivable (4)		<u>5,879</u>
TOTAL ASSETS		<u><u>366,369</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts Payable		<u>48,682</u>
TOTAL LIABILITIES		<u>48,682</u>

FUND BALANCE

Fund Balance - Reserved		
Encumbrances (2b)		298,254
Undesignated		<u>19,433</u>
TOTAL FUND BALANCE		<u>317,687</u>

TOTAL LIABILITIES AND FUND BALANCE	\$	<u><u>366,369</u></u>
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# INDIAN RIVER LAGOON SPECIALTY LICENSE TAG FUND

## SPECIAL REVENUE FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED SEPTEMBER 30, 1999

	INDIAN RIVER LAGOON RESTORATION
REVENUES	
Intergovernmental	\$ 190,291
Interest	17,476
Net Decrease In the Fair Value of Investments	(5,964)
Donations	<u>335</u>
Total Revenue	<u>202,138</u>
EXPENDITURES	
Restoration & Environmental Education (5)	<u>107,151</u>
Revenues In Excess of Expenditures	<u>94,987</u>
BEGINNING FUND BALANCE	<u>222,700</u>
ENDING FUND BALANCE	<u><u>\$ 317,687</u></u>

# INDIAN RIVER LAGOON SPECIALTY LICENSE TAG FUND

## SPECIAL REVENUE FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL FOR THE YEAR ENDED SEPTEMBER 30, 1999

<u>REVENUES</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Intergovernmental	\$208,000	\$190,291	(\$17,709)
Interest	-	17,476	17,476
Net Decrease In the Fair Value of Investments	-	(5,964)	(5,964)
Donations	-	335	335
Total Revenues	208,000	202,138	(5,862)
<u>EXPENDITURES</u>			
Restoration & Environmental Education	414,801	107,151	307,650
Total Expenditures	414,801	107,151	307,650
Revenues In Excess of (Less Than) Expenditures	(206,801)	94,987	301,788
FUND BALANCE AT BEGINNING OF YEAR	222,700	222,700	-
FUND BALANCE AT END OF YEAR	\$15,899	\$317,687	\$301,788

## **Indian River Lagoon Specialty License Tag Fund**

### **Notes to the Financial Statements**

#### (1) Description of the Indian River Lagoon Specialty License Tag Fund

The Indian River Lagoon Specialty License Tag Fund (the “Fund”) accounts for revenues received from the sale of Indian River Lagoon specialty tags in Palm Beach, Martin and St. Lucie counties. These funds are received from the State of Florida through the St. Johns River Water Management District and expended on Indian River Lagoon restoration and environmental education projects.

#### (2) Summary of Significant Accounting Policies

The accompanying financial statements conform with generally accepted accounting principles for governmental units as prescribed by the Governmental Accounting Standards Board (GASB).

##### (a) Reporting Entity

These financial statements are for the Fund that is an accounting fund of the South Florida Water Management District (the “District”).

##### (b) Basis of Presentation: Fund Accounting

The operations of the Fund are accounted for using the special revenue governmental fund type.

##### (c) Measurement Focus

Governmental fund types are accounted for on a flow of current financial resources measurement focus. Their operating statements represent increases and decreases in net current assets. The resulting fund balance is considered a measure of expendable available financial resources.

##### (d) Basis of Accounting

The modified accrual basis of accounting is used by the Fund. Revenues are recognized when susceptible to accrual – both measurable and available. Expenditures are recorded when the related fund liability is incurred.

##### (e) Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles.

(f) Encumbrances

The Fund utilizes the encumbrance method of accounting. Under this system, commitments for the expenditure of resources are recorded in order to reserve that portion of the applicable budgetary appropriation. All appropriations lapse at year-end. Encumbrances representing uncompleted contracts and purchase orders are recorded as a reservation of fund balance at year-end and re-appropriated in the ensuing year's budget.

(g) Cash and Investments

The Fund's cash and investments are part of the District's pooled cash accounting system whereby excess monies are aggregated for investment purposes. Cash includes currency on hand and demand deposits. Cash is placed in investments authorized by Florida Statute.

(h) Fund Balances

Reservations of fund balances are reported to indicate a portion of a fund balance that is not appropriable for expenditure.

(3) Cash and investments

The funds investments are categorized to give an indication of the level of credit (not market) risk assumed by the Fund at September 30, 1999 based on various investment categories as to how securities are registered, insured, or where held in custody. All of the Funds investments are held in U.S. Agency Obligations that have a credit risk category of (1). The credit risk categories are:

- (1) Insured or registered investments or securities held by the District or held by the District's agent in the District's name.
- (2) Uninsured or unregistered investments or securities for which the securities are held by the counterparty or by its trust department or agent in the District's name.
- (3) Uninsured and unregistered investments or securities for which the securities are held by the counterparty or by its trust department or agent, but not in the District's name.

(4) Accounts Receivable

Accounts receivable at September 30, 1999 represents accrued interest on U.S. Agency Obligations.

(5) Expenditures

The expenditures of Indian River Lagoon Specialty License Plate user fees were made in accordance with Florida Statute sections 320.08056 and 320.08058.



## **Report of Independent Certified Public Accountant**

We have audited the accompanying financial statements of the Indian River Lagoon Specialty License Tag Fund (the "Fund", a fund of the South Florida Water Management District, (the "District")), as of the year ended September 30, 1998. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on whether the Funds expenditures were made in accordance with Florida Statutes sections 320.08056 and 320.08058.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Governmental Auditing Standards (1994 Revision), 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 includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

The scope of our audit was limited to the Funds financial statements and determination of the Fund's compliance with Florida Statutes sections 320.08056 and 320.08058.

The Certified Public Accountant is an employee of the South Florida Water Management District but is considered organizationally independent in accordance with Governmental Auditing Standards.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund as of September 30, 1998, in conformity with generally accepted accounting principles, and the Funds expenditures are in compliance with Florida Statutes sections 320.08056 and 320.08058.

West Palm Beach  
April 16, 1999

INDIAN RIVER LAGOON SPECIALTY LICENSE TAG FUND

SPECIAL REVENUE FUND  
BALANCE SHEET  
September 30, 1998

INDIAN  
RIVER  
LAGOON  
RESTORATION

ASSETS

Cash and Investments (3)	\$	219,748
Accounts Receivable (4)	\$	2,952
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TOTAL ASSETS	\$	222,700
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LIABILITIES AND FUND BALANCE

<u>LIABILITIES</u>	\$	-
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TOTAL LIABILITIES		-
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FUND BALANCE

Fund Balance - Reserved		
Encumbrances (2b)	\$	85,446
Undesignated	\$	137,254
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TOTAL FUND BALANCE	\$	222,700
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TOTAL LIABILITIES AND FUND BALANCE	\$	222,700
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# INDIAN RIVER LAGOON SPECIALTY LICENSE TAG FUND

## SPECIAL REVENUE FUNDS

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED SEPTEMBER 30, 1998

	INDIAN RIVER LAGOON RESTORATION
REVENUES	
Intergovernmental	\$ 165,830
Interest	<u>\$ 13,684</u>
Total Revenue	<u>\$ 179,514</u>
EXPENDITURES	
Restoration & Environmental Education (5)	<u>\$ 81,782</u>
Total Expenditures	<u>\$ 81,782</u>
Revenues In Excess of Expenditures	<u>\$ 97,732</u>
BEGINNING FUND BALANCE	<u>\$ 124,968</u>
ENDING FUND BALANCE	<u><u>\$ 222,700</u></u>

# INDIAN RIVER LAGOON SPECIALTY LICENSE TAG FUND

## SPECIAL REVENUE FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL FOR THE YEAR ENDED SEPTEMBER 30, 1998

<u>REVENUES</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Intergovernmental	\$170,000	\$165,830	(\$4,170)
Interest	-	13,684	13,684
Total Revenues	170,000	179,514	9,514
<u>EXPENDITURES</u>			
Restoration & Environmental Education	294,969	81,782	213,187
Total	294,969	81,782	213,187
Total Expenditures	294,969	81,782	213,187
Revenues In Excess of (Less Than) Expenditures	(124,969)	97,732	222,701
FUND BALANCE AT BEGINNING OF YEAR	124,968	124,968	-
FUND BALANCE AT END OF YEAR	(\$1)	\$222,700	\$222,701

## **Indian River Lagoon Specialty License Tag Fund**

### **Notes to the Financial Statements**

#### **(1) Description of the Indian River Lagoon Specialty License Tag Fund**

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These financial statements are for the Fund that is an accounting fund of the South Florida Water Management District (the “District”).

##### **(b) Basis of Presentation: Fund Accounting**

The operations of the Fund are accounted for using the special revenue governmental fund type.

##### **(c) Measurement Focus**

Governmental fund types are accounted for on a flow of current financial resources measurement focus. Their operating statements represent increases and decreases in net current assets. The resulting fund balance is considered a measure of expendable available financial resources.

##### **(d) Basis of Accounting**

The modified accrual basis of accounting is used by the Fund. Revenues are recognized when susceptible to accrual – both measurable and available. Expenditures are recorded when the related fund liability is incurred.

##### **(e) Budgets and Budgetary Accounting**

Budgets are adopted on a basis consistent with generally accepted accounting principles.

(f) Encumbrances

The Fund utilizes the encumbrance method of accounting. Under this system, commitments for the expenditure of resources are recorded in order to reserve that portion of the applicable budgetary appropriation. All appropriations lapse at year-end. Encumbrances representing uncompleted contracts and purchase orders are recorded as a reservation of fund balance at year end and reappropriated in the ensuing year's budget.

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The Fund's cash and investments are part of the District's pooled cash accounting system whereby excess monies are aggregated for investment purposes. Cash includes currency on hand and demand deposits. Cash is placed in investments authorized by Florida Statute.

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Reservations of fund balances are reported to indicate a portion of a fund balance that is not appropriable for expenditure.

(3) Cash and investments

The funds investments are categorized to give an indication of the level of credit (not market) risk assumed by the Fund at September 30, 1998 based on various investment categories as to how securities are registered, insured, or where held in custody. All of the Funds investments are held in U.S. Treasury Notes that have a credit risk category of (1). The credit risk categories are:

- (1) Insured or registered investments or securities held by the District or held by the District's agent in the District's name.
- (2) Uninsured or unregistered investments or securities for which the securities are held by the counterparty or by its trust department or agent in the District's name.
- (3) Uninsured and unregistered investments or securities for which the securities are held by the counterparty or by its trust department or agent, but not in the District's name.

(4) Accounts Receivable

Accounts receivable at September 30, 1998 represents accrued interest on U.S. Treasury notes.

(5) Expenditures

The expenditures of Indian River Lagoon Specialty License Plate user fees were made in accordance with Florida Statute sections 320.08056 and 320.08058.