



South Indian River
*Water Control District*TM

FINANCIAL STATEMENTS
September 30, 2019

South Indian River Water Control District

TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTORY SECTION	
Board of Supervisors	i
FINANCIAL SECTION	
INDEPENDENT AUDITORS REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)	3
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statements of Net Position	9
Statements of Activities	10
Fund Financial Statements	
Governmental Funds	
Balance Sheet	12
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	14
Statement of Revenues, Expenditures and Changes in Fund Balances	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Proprietary Fund – Internal Service Fund	
Statement of Net Position	18
Statement of Revenues, Expenses, and Changes in Net Position	19
Statement of Cash Flows	20
Notes to Basic Financial Statements	21
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule – Water Control Eastside-Special Revenue Fund	39
Budgetary Comparison Schedule – Water Control Westside-Special Revenue Fund	40
Budgetary Comparison Schedule – Road Maintenance PBCE -Special Revenue Fund	41
Budgetary Comparison Schedule – Road Maintenance Jupiter Farms -Special Revenue Fund	42

South Indian River Water Control District

TABLE OF CONTENTS

(Continued)

Combining Balance Sheet	
Other Governmental Funds	43
Nonmajor Special Revenue Funds	44
Nonmajor Debt Service Funds	46
Nonmajor Capital Projects Funds	48
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	
Other Governmental Funds	49
Nonmajor Special Revenue Funds	50
Nonmajor Debt Service Funds	52
Nonmajor Capital Projects Funds	54
REQUIRED REPORTS	
Independent Auditors 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	55
Independent Auditor's Report on Compliance with the Requirements of Section 218.415, Florida Statutes	57
Management Letter	58

INTRODUCTORY SECTION

South Indian River Water Control District

Board of Supervisors

September 30, 2019

Stephen Hinkle	President
Thomas H. Powell	Vice President
John Meyer	Member
Michael Howard	Member
John Jones	Member

Manager of Operations

Michael Dillon
Jupiter, Florida

Counsel to the District

Terry E. Lewis
William G. Capko
Lewis, Longman & Walker, P.A.
West Palm Beach, Florida

Treasurer

Charles F. Haas
Certified Public Accountant
Palm Beach Gardens, Florida

District Engineer

Amy E. Eason, PE
AECOM, Inc.
Palm City, Florida

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
South Indian River Water Control District
Jupiter, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of South Indian River Water Control District, Jupiter, Florida ("District") as of and for the fiscal year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. The prior year partial comparative information has been derived from the District's 2018 financial statements and, in our report dated June 27, 2019, we expressed unmodified opinions on the respective financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information.

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, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of September 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2020, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.



June 25, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As management of South Indian River Water Control District (the District) we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of South Indian River Water Control District for the fiscal year ended September 30, 2019. We encourage readers to consider the information presented in this discussion and analysis in conjunction with the District's basic financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

Government-Wide

- At September 30, 2019, the assets of the District exceeded its liabilities by \$20,958,911. Of this amount, \$2,525,118 may be used to meet the District's ongoing operations.
- The District's net position increased by \$490,002 primarily from the reduction in debt service.
- The District's total revenues (on an accrual basis) were \$4,905,669 for the year ended September 30, 2019, a decrease of \$55,900. The decrease is primarily due to the expiration of the cooperative agreement with the Town of Jupiter reimbursing the District for connection fees. This decrease was offset by increases in Assessments, Other revenue and Investment income.
- The total cost of all the District's programs was \$4,415,667 an increase of \$252,502. The increase was largely due to increased level of service in maintenance operations.

Governmental Funds

- At September 30, 2019, the District's governmental funds reported combined ending fund balances of \$3,921,119 an increase of \$57,779 from the prior year.
- At the end of the current fiscal year, the District's fund balances assigned for subsequent year operations totaled \$1,121,350 or 29% of total fund balances.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to South Indian River Water Control 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. One of the most important questions asked about the District's finances is "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. All information is presented utilizing the economic resources measurement focus and the accrual basis of accounting.

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, an increase or decrease in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Other factors should be considered, however, such as the condition of the District's capital assets (canals, culverts, buildings, etc.) to assess the overall health of the District.

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 can be found on pages 9 – 11 of this report.

Under Governmental Accounting Standards Board (GASB) Statement No. 45 Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, the District is required to report the cost of benefits to retired employees during the time of their employment and how those benefits will be funded. The State of Florida requires local governments to provide health care insurance to all retirees either funded by the government or by the retiree at the rate that all remaining employees are charged. The rate charged by insurance companies is blended rather than tiered by age. Thus, a retired employee is charged the same rate as a younger employee creating an implicit benefit. This benefit should be expensed, if material, and disclosed in the financial statement. At September 30, 2019, the actuarial accrued liability was zero.

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's funds can be divided into two categories: governmental funds and proprietary funds. The two kinds of funds use different accounting approaches. The District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We reconcile the differences between government-wide activities (reported in the statement of net position and the statement of activities) and governmental funds on separate schedules following the respective governmental funds.

At September 30, 2019, the District maintained 18 individual governmental funds: 7 special revenue funds, 9 debt service funds, and 2 capital project funds. Some funds are required by state law. However, the District establishes other funds to help it control and manage money for particular purposes or to show that it is meeting its legal and fiduciary responsibilities. The fund financial statements provide detailed information about the most significant funds – not the District as a whole. Accordingly, 8 major funds are reported individually in the governmental funds balance sheet and statement of revenues, expenditures and changes in fund balances. The remaining governmental funds are reported in these statements as a combined total.

The District uses an internal service fund, (a proprietary fund), to account for services provided to the other funds. Proprietary fund activities are reported in the same accounting basis and measurement focus as the statement of net position and the statement of activities.

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. The notes to the financial statements can be found beginning on page 21 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, specifically, budgetary comparisons for the District's four major special revenue funds for which budgets are adopted.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on budgetary comparisons. Combining fund statements for nonmajor funds can be found on pages 43 – 54 of this report.

The District as a Whole (Government-Wide)

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of South Indian River Water Control District, assets exceeded liabilities by \$20,958,911 at the close of the most recent year. The largest portion of the District's net position (52%) reflects its investments in capital assets (land, canals, levees, buildings, machinery and equipment). The District uses capital assets to provide services to citizens; accordingly, these assets are not available for future spending. An additional portion of the District's net position (36%) represents resources that are subject to restrictions on how they may be used. These resources can be used only for debt service or future construction activities. The remaining unrestricted net position, \$2,525,118 may be used to meet ongoing operations.

The following analysis highlights the net position as of September 30, 2019 and 2018:

	2019	2018	Increase (Decrease)	% Change
Current and other assets	\$ 6,160,795	\$ 5,976,601	\$ 184,194	3%
Long-term receivables	15,345,155	16,917,137	(1,571,982)	-9%
Capital assets	16,868,572	16,627,830	240,742	1%
Total assets	<u>38,374,522</u>	<u>39,521,568</u>	<u>(1,147,046)</u>	<u>-3%</u>
Current liabilities	2,028,023	2,097,871	(69,848)	-3%
Non-current debt	15,387,588	16,954,788	(1,567,200)	-9%
Total liabilities	<u>17,415,611</u>	<u>19,052,659</u>	<u>(1,637,048)</u>	<u>-9%</u>
Net position:				
Net Investment in capital assets	10,884,978	10,239,348	645,630	6%
Restricted for:				
Capital projects	200,238	515,272	(315,034)	-61%
Debt service	7,348,577	7,604,811	(256,234)	-3%
Unrestricted	2,525,118	2,109,478	415,640	20%
Total net position	<u>\$ 20,958,911</u>	<u>\$ 20,468,909</u>	<u>\$ 490,002</u>	<u>2%</u>

The following analysis highlights the changes in net position for the years ended September 30, 2019 and 2018:

	2019	2018	Increase (Decrease)	% Change
Revenues:				
Program revenues:				
Assessments	\$ 4,481,703	\$ 4,405,322	\$ 76,381	2%
Charges for services	137,696	148,419	(10,723)	-7%
Connection fees	10,667	163,559	(152,892)	-93%
Grant Income	133,558	197,843	(64,285)	-32%
Restricted investment income	44,670	13,213	31,457	238%
General revenues:				
Other income	97,375	33,213	64,162	193%
Total revenues	<u>4,905,669</u>	<u>4,961,569</u>	<u>(55,900)</u>	<u>-1%</u>
Program expenses including direct expenses:				
Water control	1,878,565	1,590,619	287,946	18%
Road maintenance	1,818,253	1,735,701	82,552	5%
Recreation	35,038	30,615	4,423	14%
Infrastructure financing	683,811	806,230	(122,419)	-15%
Total program expenses	<u>4,415,667</u>	<u>4,163,165</u>	<u>252,502</u>	<u>6%</u>
Increase (decrease) in net position	490,002	798,404	(308,402)	100%
Net position, beginning of year	20,468,909	19,670,505	798,404	4%
Net position, end of year	<u>\$ 20,958,911</u>	<u>\$ 20,468,909</u>	<u>\$ 490,002</u>	<u>2%</u>

Significant Activities

The District continued its Driveway Improvement Program that together with landowner participation, replaces damaged or crushed driveway culverts which impede storm water flow.

During the year, the District Engineer completed a detailed study of the drainage infrastructure improvements that would be necessary for a test Section of the West Basin (Jupiter Farms). Based upon the results of that study, the Board of Supervisors instructed the Engineer to broaden the scope of her analysis to the entire West Basin. This work is expected to be completed in the ensuing fiscal year.

The District continued its initiative to replace aging culverts at major crossings. During the year, reconstruction of box culverts was completed at the intersections of 175th and 176th and Jupiter Farms Road.

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Treasurer: Charles F. Haas, CPA, South Indian River Water Control District, 15600 Jupiter Farms Road, Jupiter Florida, 33478.

GOVERNMENT-WIDE

FINANCIAL STATEMENTS

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Statements of Net Position

September 30, 2019 and 2018

	2019	2018
Assets:		
Current assets		
Cash and short-term investments - unrestricted	\$ 2,781,457	\$ 2,167,913
Cash and short-term investments - restricted	1,543,655	2,031,407
Receivables:		
Special assessments receivable - current portion - restricted	1,571,982	1,521,254
Due from other governments	194,444	197,843
Accounts receivable	53,893	41,074
Prepaid expenses	15,364	17,110
Total current assets	6,160,795	5,976,601
Noncurrent assets		
Long term receivable - special assessments - restricted	15,345,155	16,917,137
Capital assets not being depreciated:		
Land, canals, easements, and construction in progress	7,344,498	8,056,535
Capital assets being depreciated:		
Accumulated depreciation on depreciable capital assets	(5,461,373)	(4,888,760)
Total noncurrent assets	32,213,727	33,544,967
Total assets	\$ 38,374,522	\$ 39,521,568
Liabilities:		
Current liabilities:		
Accounts and contracts payable	\$ 276,763	\$ 382,205
Accrued interest payable	179,278	194,412
Current portion of long-term debt	1,571,982	1,521,254
Total current liabilities	2,028,023	2,097,871
Noncurrent liabilities:		
Bonds payable	10,150,000	10,930,000
Notes payable	5,195,155	5,987,137
Accrued compensated absences	42,433	37,651
Total noncurrent liabilities	15,387,588	16,954,788
Total liabilities	\$ 17,415,611	\$ 19,052,659
Net Position:		
Net investment in capital assets	10,884,978	10,239,348
Restricted for:		
Capital projects	200,238	515,272
Debt service	7,348,577	7,604,811
Unrestricted	2,525,118	2,109,478
Total net position	\$ 20,958,911	\$ 20,468,909

See accompanying notes to financial statements.

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Statements of Activities

Years Ended September 30, 2019 and 2018

	2019				
	Total	Water Control	Road Maintenance	Park Maintenance	Infrastructure Financing
Expenses:					
Direct expense:					
Physical environment	\$ 1,797,007	\$ 1,797,007	\$ -	\$ -	\$ -
Transportation	1,262,066	-	1,262,066	-	-
Recreation	14,351	-	-	14,351	-
Interest on debt	582,486	-	-	-	582,486
Indirect expenses:					
Depreciation	658,432	81,558	556,187	20,687	-
Other	101,325	-	-	-	101,325
Total expenses	4,415,667	1,878,565	1,818,253	35,038	683,811
Revenues:					
Program revenues:					
Assessments	4,481,703	2,375,747	846,200	88,282	1,171,474
Connection fees	10,667	-	-	-	10,667
Grant income	133,558	133,558	-	-	-
Other income	137,696	-	135,671	-	2,025
Restricted investment earnings	44,670	13,812	10,177	410	20,271
Total program revenues	4,808,294	2,523,117	992,048	88,692	1,204,437
Net program income (expense)	\$ 392,627	\$ 644,552	\$ (826,205)	\$ 53,654	\$ 520,626
General revenues:					
Gain on sale of equipment	35,250				
Other income	62,125				
Total general revenues	97,375				
Change in net position	490,002				
Net position - beginning	20,468,909				
Net position - ending	\$ 20,958,911				

See accompanying notes to financial statements.

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Statements of Activities

Years Ended September 30, 2019 and 2018

	2018				
	Total	Water Control	Road Maintenance	Park Maintenance	Infrastructure Financing
Expenses:					
Direct expenses:					
Physical environment	\$ 1,515,149	\$ 1,515,149	\$ -	\$ -	\$ -
Transportation	1,188,662	-	1,188,662	-	-
Recreation	9,928	-	-	9,928	-
Interest on debt	685,285	-	-	-	685,285
Indirect expenses:					
Depreciation	643,196	75,470	547,039	20,687	-
Other	120,945	-	-	-	120,945
Total expenses	4,163,165	1,590,619	1,735,701	30,615	806,230
Revenues:					
Program revenues:					
Assessments	4,405,322	1,291,845	1,164,639	94,062	1,854,776
Connection fees	163,559	-	-	-	163,559
Grant income	197,843	197,843	-	-	-
Other income	148,419	-	65,994	45,146.00	37,279
Restricted investment earnings	13,213	2,792	3,035	188	7,198
Total program revenues	4,928,356	1,492,480	1,233,668	139,396	2,062,812
Net program income (expense)	\$ 765,191	\$ (98,139)	\$ (502,033)	\$ 108,781	\$ 1,256,582
General revenues:					
Gain on sale of equipment	1,473				
Other income	31,740				
Total general revenues	33,213				
Change in net position	798,404				
Net position - beginning	19,670,505				
Net position - ending	\$ 20,468,909				

See accompanying notes to financial statements.

This page intentionally left blank

Fund Financial Statements

This page intentionally left blank

Governmental Funds

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Balance Sheet
 Governmental Funds
 September 30, 2019

	Special Revenue Funds			
	Water Control Eastside	Water Control Westside	Road Maintenance - PBCE	Road Maintenance - Jupiter Farms
Assets:				
Cash and short-term investments	\$ 133,161	\$ 257,388	\$ 432,498	\$ 244,990
Receivables:				
Special assessments	-	-	-	-
Accounts receivable	7,574	19,178	1,962	7,666
Total assets	\$ 140,735	\$ 276,566	\$ 434,460	\$ 252,656
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued expenses	\$ 26,139	\$ 72,059	\$ 11,117	\$ 35,640
Retainage Payable				
Total liabilities	26,139	72,059	11,117	35,640
Deferred inflows of resources:				
Unavailable revenue-special assessments	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances:				
Restricted for:				
Debt service	-	-	-	-
Future construction	-	-	-	-
Committed for:				
Renewal and replacement	-	-	-	-
Assigned for:				
Subsequent years operations	114,596	204,507	423,343	217,016
Total fund balances	114,596	204,507	423,343	217,016
Total liabilities, deferred inflows of resources, and fund balances	\$ 140,735	\$ 276,566	\$ 434,460	\$ 252,656

See accompanying notes to financial statements.

Debt Service Funds		Capital Projects			
2015 Water Distribution System Bonds	2007 Series A OGEM Road Note	Road Improvement Funds	Other Governmental Funds	Total Governmental Funds	
\$ 1,052,127	\$ 136,869	\$ 1,058,813	\$ 739,027	\$ 4,054,873	
10,930,000	1,597,395	-	4,389,742	16,917,137	
7,111	-	-	1,152	44,643	
\$ 11,989,238	\$ 1,734,264	\$ 1,058,813	\$ 5,129,921	\$ 21,016,653	
\$ 1,461	\$ 309	\$ -	\$ 20,048	\$ 166,773	
			11,624	11,624	
1,461	309	-	31,672	178,397	
10,930,000	1,597,395	-	4,389,742	16,917,137	
10,930,000	1,597,395	-	4,389,742	16,917,137	
1,057,777	136,560	-	349,924	1,544,261	
-	-	3,543	196,695	200,238	
-	-	1,055,270	-	1,055,270	
-	-	-	161,888	1,121,350	
1,057,777	136,560	1,058,813	708,507	3,921,119	
\$ 11,989,238	\$ 1,734,264	\$ 1,058,813	\$ 5,129,921	\$ 21,016,653	

See accompanying notes to financial statements.

This page intentionally left blank

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Reconciliation of Governmental Funds Balance Sheet

to the Statement of Net Position

September 30, 2019

Total governmental fund balances \$ 3,921,119

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund statements:

Capital assets	\$ 20,408,920	
Less accumulated depreciation	<u>(4,405,144)</u>	16,003,776

An internal service fund is used by management to charge the costs of certain activities to individual units. The assets and liabilities of the internal service fund are reported in the statement of net position. 1,213,294

Revenue for special assessments is deferred for fund reporting but is recognized in the government-wide statements at the time the assessment is levied. The deferral is not reported on the government-wide statements. 16,917,137

Some liabilities, including notes and bonds payable, are not due and payable in the current period and therefore are not reported in the funds statements. Long term liabilities at year-end are:

Bonds & notes payable	(16,917,137)	
Accrued interest on long-term debt	<u>(179,278)</u>	(17,096,415)

Total net position - governmental activities \$ 20,958,911

See accompanying notes to financial statements.

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

*Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2019*

	Special Revenue Funds			
	Water Control Eastside	Water Control Westside	Road Maintenance - PBCE	Road Maintenance - Jupiter Farms
Revenues:				
Assessments	\$ 656,900	\$ 1,718,847	\$ 169,997	\$ 676,203
Reimbursement of Connection Fees	-	-	-	-
Investment income	2,863	7,863	2,510	3,137
Miscellaneous	9,352	47,894	9,352	47,894
Total revenues	669,115	1,774,604	181,859	727,234
Expenditures:				
Current:				
Physical environment	511,418	1,373,343	-	-
Transportation	-	-	292,159	990,988
Recreation	-	-	-	-
Capital outlay	-	62,306	-	34,667
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Other debt service	-	-	-	-
Total expenditures	511,418	1,435,649	292,159	1,025,655
Excess (deficiency) of revenues over (under) expenditures	157,697	338,955	(110,300)	(298,421)
Other financing sources (uses):				
Transfers in	-	-	80,000	140,000
Transfers out	(80,000)	(176,100)	-	-
Total other financing sources (uses)	(80,000)	(176,100)	80,000	140,000
Net change in fund balance	77,697	162,855	(30,300)	(158,421)
Fund balances, beginning of year	36,899	41,652	453,643	375,437
Fund balances, end of year	\$ 114,596	\$ 204,507	\$ 423,343	\$ 217,016

See accompanying notes to financial statements.

Debt Service Funds		Capital Projects			
2015 Water Distribution System Bonds	2007 Series A OGEM Road Note	Road Improvement Funds	Other Governmental Funds	Total Governmental Funds	
\$ 1,161,518	\$ 243,404	\$ -	\$ 1,376,088	\$ 6,002,957	
10,667	-	-	-	10,667	
10,650	1,652	5,801	8,542	43,018	
-	-	-	-	114,492	
1,182,835	245,056	5,801	1,384,630	6,171,134	
-	-	-	1,283	1,886,044	
-	-	-	-	1,283,147	
-	-	-	14,351	14,351	
-	-	445,089	367,552	909,614	
760,000	165,479	-	595,775	1,521,254	
321,475	73,244	-	202,901	597,620	
11,469	1,768	-	88,088	101,325	
1,092,944	240,491	445,089	1,269,950	6,313,355	
89,891	4,565	(439,288)	114,680	(142,221)	
-	-	303,300	40,400	563,700	
-	-	-	(107,600)	(363,700)	
-	-	303,300	(67,200)	200,000	
89,891	4,565	(135,988)	47,480	57,779	
967,886	131,995	1,194,801	661,027	3,863,340	
\$ 1,057,777	\$ 136,560	\$ 1,058,813	\$ 708,507	\$ 3,921,119	

See accompanying notes to financial statements.

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

*Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Year Ended September 30, 2019*

Net change in fund balances - total governmental funds \$ 57,779

Amounts reported in the statement of activities are different because:

Governmental funds do not include the internal service fund activities which
are reported in the statement of activities. 161,420

Governmental funds report capital outlays as expenditures.
However, in the statement of activities, the cost of capital assets
are allocated over their estimated useful lives and reported as
depreciation expense. This is the amount by which capital outlays
exceeded depreciation in the current period. 255,669

The issuance of long-term debt (e.g. bonds, notes) provides current financial
resources to governmental funds, while the repayment of the
principal of long-term debt consumes the current financial
resources of governmental funds. Neither transaction, however,
has any effect on net position.

Special assessment debt issued	\$		
Special assessment debt principal payments		1,521,254	
Net change in amortization adjustments		<u>15,134</u>	
Total debt adjustments			1,536,388

Governmental funds report annual collections of debt assessments
as revenue, including the portion collected for principal
repayment. However, in the statement of activities, the principal
repayment portion was recognized as revenue upon adoption of
the resolutions authorizing the debt. (1,521,254)

Change in net position of governmental activities \$ 490,002

See accompanying notes to financial statements.

***Proprietary Fund-Internal
Service Fund***

This page intentionally left blank

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Statement of Net Position

Internal Service Fund

September 30, 2019

Assets:

Current assets:

Cash and short-term investments	\$	270,239
Accounts receivable		9,250
Due from other governments		194,444
Prepaid expenses		15,364
Total current assets		489,297

Noncurrent assets:

Equipment		1,921,025
Accumulated depreciation		(1,056,229)
Total noncurrent assets		864,796

Total assets **\$ 1,354,093**

Liabilities:

Current liabilities:

Accounts payable and accrued expenses	\$	98,366
Total current liabilities		98,366

Noncurrent liabilities:

Accrued compensated absences		42,433
Total liabilities		140,799

Net Position

Investment in capital assets		864,796
Net position - unrestricted		348,498
Total net position		1,213,294
Total liabilities and net position	\$	1,354,093

See accompanying notes to financial statements.

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Statement of Revenues, Expenses and Changes in Net Position

Internal Service Fund

Year Ended September 30, 2019

Operating revenues:

Charges for services	\$ 2,133,869
Intergovernmental -Federal Grants	133,558
Other	5,754

Total operating revenues **2,273,181**

Operating expenses:

Personal services	1,074,151
Materials, supplies, services and other operating expenses	753,177
Depreciation	153,075

Total operating expenses **1,980,403**

Operating income 292,778

Nonoperating revenues (expenses):

Investment income	1,652
Rental income	31,740
Gain on the disposition of equipment	35,250
Transfers out	(200,000)

Total nonoperating expenses **(131,358)**

Change in net position 161,420

Net position, beginning of year 1,051,874

Net position, end of year **\$ 1,213,294**

See accompanying notes to financial statements.

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Statement of Cash Flows

Internal Service Fund

Year Ended September 30, 2019

Cash flows from operating activities:

Cash receipts from quasi-external operating transactions	\$ 2,269,576
Cash payments to suppliers for goods and services	(701,228)
Cash payments to employees for services	(1,069,369)
Other operating revenues	5,754

Net cash provided by operating activities **504,733**

Cash flows from capital and related financing activities:

Purchase of fixed assets	(138,148)
Proceeds from the sale of equipment	35,250

Net cash used by capital and related financing activities **(102,898)**

Cash flows from noncapital financing activities

Interest income	1,652
Rental income	31,740
Transfers to other funds-net	(200,000)

Net cash used by noncapital financing activities **(166,608)**

Net decrease in cash and cash equivalents 235,227

Cash and cash equivalents, beginning of year 35,012

Cash and cash equivalents, end of year **270,239**

Reconciliation of operating income to net cash provided by operating activities:

Operating income **292,778**

Adjustments to reconcile operating income to net cash provided by operating activities:

Depreciation expense	153,075
Decrease in:	
Accounts receivable	(1,250)
Prepaid expenses	1,746
Increase in:	
Amounts due from other governments	3,399
Accounts payable and accrued expenses	50,203
Accrued compensated absences	4,782

Total adjustments **211,955**

Net cash provided by operating activities **\$ 504,733**

See accompanying notes to financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Regulatory Requirements

South Indian River Water Control District (the "District") was originally incorporated as South Indian River Drainage District on July 3, 1923, by decree of the Circuit Court of the Fifteenth Judicial Circuit in and for Palm Beach County, State of Florida, pursuant to Chapter 6458 of the Laws of the State of Florida, approved June 9, 1923. Subsequent legislation has extended the powers granted to the District. The Charter of the District has been codified as Chapter 2001-313, Laws of Florida.

The purpose of the District is to provide surface water management of lands within the District by constructing and maintaining the necessary canals, roads, pumping stations, and other water control structures. The District also has the responsibility for the maintenance and repair of dedicated roads and road rights of way, including swales thereof, within the District, where such maintenance and repair is not performed by other governmental units, and to provide potable water distribution, wastewater collection and park maintenance services in a portion of the District.

The District contains approximately 12,000 acres located in Township 40 South, Range 41 East; Township 41 South, Range 41 East; and Township 41 South, Range 42 East, Palm Beach County, Florida.

Accounting Principles

The accounting methods and procedures adopted by the District conform to U.S. generally accepted accounting principles as applied to governmental entities. The District follows the requirements of GASB Statement No. 34. This statement requires the following to be presented in the financial statements:

Management's discussion and analysis;

Basic Financial Statements:

Government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting,

Fund financial statements, consisting of a series of statements that focus on a government's major funds,

Notes to the financial statements;

Required Supplementary Information, which requires budgetary comparison schedules to be presented.

Additionally, GASB Statement No. 34 requires the elimination of the effects of internal service activities and the recording of depreciation for general capital assets.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basic Financial Statements

The basic financial statements include both government-wide and fund financial statements. The government-wide statements focus on the District as a whole, while the fund financial statements focus on major individual funds.

Government-wide Financial Statements

The government-wide financial statements include a statement of net position and a statement of activities. These statements report information on all of the activities of the District. Inter-fund activity has been eliminated from these statements. The statement of activities demonstrates the extent to which the direct expenses for a given program or function is offset by program revenues. Program revenues include special assessments levied by the District, miscellaneous charges for external services, and restricted investment income. Certain miscellaneous items are reported as general revenues.

Fund Financial Statements

Separate financial statements are provided for governmental funds, and the internal service fund. Major individual governmental funds are reported as separate columns.

The District reported the following seven major individual governmental funds for the year ended September 30, 2019

Special Revenue Funds

Water Control Eastside

Water Control Westside

Road Maintenance - Palm Beach Country Estates (PBCE)

Road Maintenance - Jupiter Farms

Debt Service Funds

2015 Water Distribution System Refunding Bonds

2007 Series A OGEM Road Improvement Note

Capital Projects Funds

Road Improvement Funds

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basic Financial Statements (Continued)

Since the principal users of internal services are the District's governmental activities, the financial statements of the internal service fund are consolidated into the governmental activities in the government-wide statements. This avoids "doubling up" revenues and expenses.

Basis of Presentation

Government-wide Financial Statements

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Because the government-wide statements are presented on a different measurement focus and basis of accounting than the fund financial statements, reconciliations are presented to explain the adjustments needed to transform the fund-based financial statements into the government-wide presentation.

Fund Financial Statements

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 become 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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Revenues for expenditure-driven grants or cost sharing arrangements are made when the qualifying expenditures are included.

Assessment and interest revenues associated with the current fiscal period are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

The District uses the County Property Appraiser and Tax Collector to collect assessments. Maintenance assessments are levied on October 1 of each year. Debt assessments are levied at the time the related debt is authorized. Maintenance assessments and annual installments of debt assessments are included with property tax bills which are mailed on or about November 1 and must be paid by the following March. Tax bills not paid are declared delinquent and tax certificates are sold in July to satisfy the lien. Unsold certificates paid after September 30, are recorded as revenue in the fiscal year received.

The District's proprietary fund is accounted for using the economic resources measurement focus and the accrual basis of accounting

Fund Accounting

The District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. The reporting model sets forth minimum criteria (percentage of total assets, liabilities, revenues or expenditures of governmental funds) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements and detailed in the combining section.

The District utilizes the following fund types:

Governmental Funds

Special Revenue Funds – These funds are used to account for revenues which are restricted to the maintenance of water control facilities, roads and a park.

Debt Service Funds – These funds are used to account for the payment of interest and principal on long-term debt.

Capital Projects Fund – These funds are used to account for resources to be used for the acquisition or construction of major capital facilities.

Proprietary Fund

Internal Service Fund – This fund is used to account for the provision of maintenance services to individual units on a cost reimbursement basis.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting

The District adopts annual budgets for the Special Revenue and Debt Service Funds that are funded with special assessments on a basis consistent with generally accepted accounting principles (GAAP). As required by GASB Statement No. 34, budgetary comparison schedules are presented for the major special revenue funds. Budgetary comparison schedules are not required and have not been presented for debt service or capital projects funds or for nonmajor special revenue funds.

Statement of Cash Flows

For purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

Cash 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.

Investments are separately held and individually accounted for where contractual arrangements or debt covenants provide for and require such arrangements. Investments are stated at fair value (See Note 2).

Special Assessments Receivable/Unavailable Revenue

Special assessments receivable recorded in the Debt Service Funds represent the balance of outstanding assessments levied by the District to repay outstanding debt net of available restricted cash and investments. The assessments are levied at the time the related debt issuance is authorized. The receivables are collected in annual installments together with assessments for interest and collection costs in amounts sufficient to meet the annual debt service requirements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Special Assessments Receivable/Unavailable Revenue (Continued)

The District reports unavailable revenue in the fund financial statements in an amount equal to the special assessments receivable since this revenue will be collected in future years. In the government-wide financial statements the assessment revenue is recognized at the time the assessments are levied.

Capital Assets and Depreciation

Property, plant and equipment purchased or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at fair market value as of the date received.

Capital assets are defined as assets with a useful life of greater than one year and an acquisition cost of more than \$2,500 for equipment and \$25,000 for infrastructure. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Infrastructure, such as canals, bridges, culverts and drainage systems, are capitalized along with other general capital assets at historical costs.

Depreciation of most capital assets is computed by the straight-line method. Estimated useful lives range from 5 to 50 years. The District does not depreciate land, canals, or easements because these assets are considered to be inexhaustible.

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. Bond issuance costs are expensed when incurred.

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 an other financing source. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position

Net position equals the difference between assets and deferred outflow of resources and liabilities. In the government-wide financial statements, net position is categorized in one of three categories as either invested in capital assets, restricted, or unrestricted. Net investment in capital assets is equal to capital assets less accumulated depreciation and related debt. Net position is reported as restricted when there are legal limitations imposed on their use by District legislation or external restrictions by other governments, creditors, or grantors.

Fund Equity

Governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Amounts that are restricted to specific purposes either by: a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation, are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the Board of Supervisors through a resolution are classified as committed fund balances. Amounts that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. Assignments are made by District's management based on the Board of Supervisors direction. Nonspendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes. It is the District's policy to expend restricted funds first when both restricted and unrestricted fund balance is available unless there are legal agreements that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District would first use 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.

Employee Benefits

The District's policy is to permit employees to accumulate up to 120 hours vacation and up to 480 hours sick leave. The cost of earned but unused vacation leave is accrued as a liability in the period in which the leave is earned. A liability for earned but unused sick leave is accrued to the extent that it is probable, based on the District's experience that the leave will result in cash payments at termination.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Risk Management

The District is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omission; injuries to employees, and natural disasters. The District purchases commercial insurance for claims for all material risks of loss to which the District is exposed, including general liability, property, and workers' compensation insurance. The District is also covered by Florida Statutes under the doctrine of sovereign immunity, which effectively limits the amount of liability of the District to individual claims of \$200,000/\$300,000 for all claims relating to the same incident. There were no changes in insurance coverage from the prior year and there were no settlements that exceeded insurance coverage.

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 revenue and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2. CASH AND INVESTMENTS

Cash

At September 30, 2019, the carrying amount of cash on hand and on deposit with banks, including interest-bearing accounts, was \$103,639. All of the District's bank deposits including money market accounts and certificates of deposit are held in qualified public depositories pursuant to State of Florida Statutes, Chapter 280, "Florida Security for Public Deposits Act." (the "QPD"). Under the Act, every qualified public depository shall deposit with the Chief Financial Officer eligible collateral of the depository to be held subject to his order. The Chief Financial Officer by rule has established minimum required collateral pledging levels ranging from 25% to 125% of the average monthly balance of public deposits, depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default. At year end, the full amount of the District's monetary assets were covered by federal depository insurance or by the QPD program.

Investments

At September 30, 2019 the District's investments were held as follows:

	Amortized Cost	Credit Risk	Maturity
Money Market Funds	\$ 1,519,545	S&P: A-2	Less than 7 days
Certificates of Deposit	2,649,015	S&P: A-2	36
Total	\$ 4,168,560		

Money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less and are held by governments other than external investment pools should be measured at amortized cost. Accordingly, the District's investments reported above are at amortized cost.

Credit risk – For investments, credit risk is generally the risk that an issuer of the investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investment ratings by investment type are included in the preceding summary of investments. The District minimizes the credit risk of its portfolio by only investing with financial institutions who participate in the QPD program

NOTE 2. CASH AND INVESTMENTS (Continued)

Concentration risk – The District places no limit on the amount it may invest in any one issuer. The District minimizes the concentration risk of its portfolio by only investing with financial institutions who participate in the QPD program

Interest rate risk – The District has no formal policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. The District attempts to minimize this risk in its portfolio by investing primarily in money market funds and short term certificates of deposits.

NOTE 3. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Transfers of resources from a fund receiving revenue to the fund through which the resources will be expended are recorded as transfers and are reported as other financing sources (uses) in the governmental funds and transfers (to) from other funds in the internal service fund. Transfers were made to fund the Road Improvement Renewal and Replacement fund.

During the year ended September 30, 2019, the District had the following transfers between funds:

	Transfers In	Transfers Out
Major fund:		
Road Improvement Funds	\$ 303,300	\$
Water Control Eastside		80,000
Water Control Westside		176,100
Road Maintenance PBCE	80,000	
Road Maintenance Jupiter Farms	140,000	
Nonmajor fund:		
2004 Road Improvement Notes		-
RM - Comm Park		4,400
RM - Egret		36,000
PBCE Park Maintenance		67,200
Other Capital Projects fund	40,400	
Proprietary Fund		
Internal Service Fund		200,000
Totals	\$ 563,700	\$ 563,700

NOTE 4. CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended September 30, 2019, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated:				
Land	388,536	\$ -	\$ -	\$ 388,536
Canal & Dikes	6,835,046	-	-	6,835,046
Construction In Progress	832,953	608,987	(1,321,024)	120,916
Total Capital Assets Not Being Depreciated	8,056,535	608,987	(1,321,024)	7,344,498
Capital Assets Being Depreciated:				
Buildings	188,153	-	-	188,153
Improvements & Infrastructure:	11,403,206	152,039	1,321,024	12,876,269
Machinery And Equipment	1,868,696	138,148	(85,819)	1,921,025
Total Capital Assets Being Depreciated	13,460,055	290,187	1,235,205	14,985,447
Accumulated Depreciation:				
Buildings	164,637	4,704	-	169,341
Improvements & Infrastructure:	3,735,150	500,653	-	4,235,803
Equipment	988,973	153,076	(85,820)	1,056,229
Total Accumulated Depreciation	4,888,760	658,433	(85,820)	5,461,373
Net Capital Assets Being Depreciated	8,571,295	(368,246)	1,321,025	9,524,074
Total Capital Assets, Net	16,627,830	\$ 240,741	\$ 1	\$ 16,868,572

Depreciation was charged to functions as follows:

Water Control	\$ 75,470
Road Maintenance	547,039
Park Maintenance	20,687
Total depreciation expense	\$ 643,196

NOTE 5. LONG-TERM OBLIGATION

Changes in long-term obligations for the year ended September 30, 2019, are summarized below:

	Beginning Balance	Additions	Reductions	Ending Balance
Special Assessment Bonds	\$ 11,690,000	\$ -	\$ 760,000	\$ 10,930,000
Special Assessment Notes	6,748,389	-	761,252	5,987,137
Long-term liabilities	\$ 18,438,389	\$ -	\$ 1,521,252	\$ 16,917,137

The bonds and notes are limited obligations of the District and are collateralized solely by special assessments levied upon the lands benefited.

Long term debt at Septemeber 30, 2019 consisted of the following:

Special Assessment Bond

\$13,775,000 2015 Special Assessment Revenue Improvement Bonds (Palm Beach Country Estates Water Distribution System) due in an annual installments ranging from \$760,000 to \$1,055,000 through August 1, 2031 with interest 2.75% payable semi-annually on February 1st and August 1st of each year. \$ 10,930,000

Notes Payable

Terms of the District's Improvement Notes require the District to levy annual assessments on the benefitted property sufficient to pay the debt service on the notes. The notes are secured by and payable solely from these annual assessments.

\$400,000 2004 Series C PBCE Road Improvement Note due in level annual installments of principal and interest of \$35,876 payable on April 1st of each year. \$ 34,509
Interest is computed at 4.00% per annum with a final maturity on April 1, 2020.

\$3,200,000 2007 OGEM Road Improvement Note due in annual installments of \$165,479 to \$229,393 through August 1, 2027, with interest at 4.16% payable semi-annually on February 1st and August 1st of each year. 1,597,394

NOTE 5. LONG-TERM OBLIGATION (Continued)

\$2,330,000 2009 PBCE Hookup Financing Note due in annual installments of \$166,000 to \$196,000 through August 1, 2023 with interest at at 4.17% per annum is payable semi-annually on February 1 st and August 1 st of each year. A final installment of \$198,442 plus interest at 4.17% per annum is due on July 20, 2024.	\$ 936,442
\$1,875,000 2011 Road Improvement Note due in annual installments of \$123,160 to \$162,880 through August 1, 2026, with interest at 4.07% payable semi-annually on February 1 st and August 1 st of each year.	1,014,550
\$680,000, 2013 Road Improvement Note due in annual installments of \$ 55,190 to \$68,830 through October 1, 2026, payable semi-annually on April 1 st and October 1 st of each year. Interest is accrued at 3.75% per annum.	377,382
\$1,500,000, 2016 Road Improvement Note due in annual installments of \$137,900 to \$172,490 through August 1, 2026, payable semi-annually on February 1 st and August 1 st of each year. Interest is accrued at 3.25% per annum.	1,099,190
\$1,008,000, 2018 Road Improvement Note due in annual installments of \$ 80,330 to \$ 124,100 through August 1, 2028, payable semi-annually on February 1 st and August 1 st of each year. Interest is accrued at 4.95% per annum.	927,670
Total Long-Term Notes	5,987,137
Total Long-Term Obligations	\$ 16,917,137
Reported in the statement of net assets as:	
Total long-term obligations	\$ 16,917,137
Less current portion	(1,571,982)
Noncurrent portion	\$ 15,345,155

NOTE 5. LONG-TERM OBLIGATION (Continued)

Changes in long-term obligations for the year ended September 30, 2019, are summarized below:

	2015 PBCE Water Distribution System Bonds	2004 Road Improvement Notes Series C	2007 OGEM Road Resurfacing Notes
Long-term obligations October 1, 2018	\$ 11,690,000	\$ 67,704	\$ 1,762,873
Bonds/notes retired	(760,000)	(33,195)	(165,479)
Long-term obligations, September 30, 2019	\$ 10,930,000	\$ 34,509	\$ 1,597,394

Debt service requirements to maturity are as follows:

	2015 PBCE Water Distribution System Bonds	2004 Road Improvement Notes Series C	2007 OGEM Road Resurfacing Notes
2020	\$ 1,080,575	\$ 35,888	\$ 238,815
2021	1,084,125	-	238,814
2022	1,081,987	-	238,815
2023	1,079,300	-	238,814
2024	1,081,063	-	238,815
2025-2029	5,407,688	-	716,562
2030-2031	2,166,212	-	-
Totals	12,980,950	35,888	1,910,635
Less amount representing interest	2,050,950	1,379	313,241
Totals	\$ 10,930,000	\$ 34,509	\$ 1,597,394

NOTE 5. LONG-TERM OBLIGATION (Continued)

Changes in long-term obligations for the year ended September 30, 2019, are summarized below:

	2009 PBCE Hookup Financing Program	2011 Road Improvement	2013 Road Improvement
Long-term obligations October 1, 2018	\$ 1,102,442	\$ 1,137,710	\$ 432,570
Bonds/notes retired	(166,000)	(123,160)	(55,190)
Long-term obligations, September 30, 2019	\$ 936,442	\$ 1,014,550	\$ 377,380

Debt service requirements to maturity are as follows:

	2009 PBCE Hookup Financing Program	2011 Road Improvement	2013 Road Improvement
2020	\$ 212,997	\$ 169,462	\$ 71,638
2021	213,574	169,466	71,572
2022	212,921	169,467	71,543
2023	212,973	169,467	71,510
2024	206,937	169,467	71,483
2025-2029	-	338,976	71,448
Totals	1,059,402	1,186,305	429,194
Less amount representing interest	122,960	171,755	51,812
Totals	\$ 936,442	\$ 1,014,550	\$ 377,382

NOTE 5. LONG-TERM OBLIGATION (Continued)

2016 Road Improvement	2018 Road Improvement	Total Notes and Bonds Payable	Amount Representing Principal
\$ 1,237,090	\$ 1,008,000	\$ 18,438,389	\$ 18,438,389
(137,900)	(80,330)	(1,521,254)	(1,521,254)
\$ 1,099,190	\$ 927,670	\$ 16,917,135	\$ 16,917,135

2016 Road Improvement	2018 Road Improvement	Total Notes and Bonds Payable	Amount Representing Interest	Amount Representing Principal
\$ 178,699	\$ 130,995	\$ 2,119,069	\$ 547,087	\$ 1,571,982
178,518	130,806	2,086,875	493,082	1,593,793
178,455	130,746	2,083,934	438,852	1,645,082
178,384	130,675	2,081,123	382,782	1,698,341
178,365	130,682	2,076,812	324,736	1,752,076
356,423	521,723	7,412,820	836,957	6,575,863
-	-	2,166,212	86,212	2,080,000
1,248,844	1,175,627	20,026,845	3,109,708	16,917,137
149,654	247,957	3,109,708	(3,109,708)	-
\$ 1,099,190	\$ 927,670	\$ 16,917,137	-	\$ 16,917,137

NOTE 6. RETIREMENT PLANS

Defined Contribution Plan

The District participates in a defined contribution pension plan established to provide benefits at retirement to eligible employees hired after January 1, 1996. At September 30, 2019, there were 17 plan members. The District's total payroll for all employees was \$796,658 and those covered by the plan was \$707,771. The District is required to contribute 10% of the annual covered payroll. Plan members are not required to contribute. Plan provisions and contribution requirements are established and may be amended by the District's Board of Supervisors.

NOTE 7. COMMITMENTS & SUBSEQUENT EVENTS

Advance to Town of Jupiter

In June 2005, the District entered into an agreement with the Town of Jupiter (the "Town") to provide water service to a portion of land within the District, (Palm Beach Country Estates Community located within the Unit of Development RI-13 Project Area). The terms of the agreement required the District to pay approximately 50% of the connection fees, capacity charges and other fees for 1,400 connections totaling \$3,038,952. Pursuant to this agreement and from proceeds of the Series 2006 Bonds, the District paid \$2,488,952 to the Town as prepaid connection charges. This amount represents the total required connection charges due to the Town, less an applied credit of \$550,000 for the District's construction of certain portions of the water system. Upon hookup of each individual connection the landowner will be responsible for the payment of all connection fees on the property. The Town will reimburse the District the portion of the fees paid.

On March 26, 2012 the District and the Town agreed to an extension of their cooperative agreement for a period of three years with an option to renew for an additional three year period. In November, 2015 both parties agreed to the optional three year extension. Under the terms of the extension agreement the Town will continue to offer the fee schedule specified in the original agreement and will continue to reimburse the District for new connections. Also as part of the original extension agreement the Town reimbursed the District for costs associated with constructing water lines for the Town.

During the year the District received \$163,559 from this program and at September 30, 2019 the District had received a total of \$3,025,491 from inception from the Town as reimbursement for prepaid connection fees and construction costs. This program expired in June 2018. Using funds received from the above agreement and surplus construction funds the District called \$2,150,000 and \$400,000 of the Series 2006B bonds on August 1, 2010 and 2013, respectively. Other funds were used to reduce the amount of the 2015 Refunding Debt.

NOTE 7. COMMITMENTS & SUBSEQUENT EVENTS (Continued)

Also as part of the original extension agreement the Town initiated a program to landowners to facilitate the financing of hookups similar to the Hookup Financing program offered by the District between 2009 and 2011. The District agreed to collect the assessments from the affected landowners and turn the net proceeds over to the Town. The District assumes no liability for this service.

This page intentionally left blank

**REQUIRED SUPPLEMENTARY
INFORMATION**

This page intentionally left blank

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Budgetary Comparison Schedule

Water Control Eastside - Special Revenue Fund

Year Ended September 30, 2019

	Budget Original	Budget Final	Actual Amounts	Variance From Final Budget Positive/ (Negative)
Revenues:				
Assessments	\$ 652,800	\$ 652,800	\$ 656,900	\$ 4,100
Investment income	130	-	2,863	2,863
Miscellaneous	19,800	19,800	9,352	(10,448)
Total revenues	672,730	672,600	669,115	(3,485)
Expenditures:				
Current:				
Physical environment	543,680	543,680	511,418	32,262
Total expenditures	543,680	543,680	511,418	32,262
Excess (deficiency) of revenues over (under) expenditures	129,050	128,920	157,697	28,777
Other financing uses:				
Transfers in			-	-
Transfers out	(80,000)	(80,000)	(80,000)	-
Total other financing uses	(80,000)	(80,000)	(80,000)	-
Net change in fund balance	49,050	48,920	77,697	28,777
Fund balances, beginning of year	3,144	36,899	36,899	-
Fund balances, end of year	\$ 52,194	\$ 85,819	\$ 114,596	\$ 28,777

See accompanying notes to financial statements.

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Budgetary Comparison Schedule

Water Control Westside - Special Revenue Fund

Year Ended September 30, 2019

	Budget Original	Budget Final	Actual Amounts	Variance From Final Budget Positive/ (Negative)
Revenues:				
Assessments	\$ 1,704,000	\$ 1,704,000	\$ 1,718,847	\$ 14,847
Investment income	510	200	7,863	7,663
Miscellaneous	67,900	67,900	47,894	(20,006)
Total revenues	1,772,410	1,772,100	1,774,604	2,504
Expenditures:				
Current:				
Physical environment	1,467,695	1,467,695	1,373,343	94,352
Capital outlay	-	-	62,306	(62,306)
Total expenditures	1,467,695	1,467,695	1,435,649	32,046
Excess (deficiency) of revenues over (under) expenditures	304,715	304,405	338,955	34,550
Other financing uses:				
Transfers in			-	-
Transfers out	(176,100)	(176,100)	(176,100)	-
Total other financing uses	(176,100)	(176,100)	(176,100)	-
Net change in fund balance	128,615	128,305	162,855	34,550
Fund balances, beginning of year	3,769	41,652	41,652	-
Fund balances, end of year	\$ 132,384	\$ 169,957	\$ 204,507	\$ 34,550

See accompanying notes to financial statements.

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Budgetary Comparison Schedule

Road Maintenance- PBCE - Special Revenue Fund

Year Ended September 30, 2019

	Budget Original	Budget Final	Actual Amounts	Variance From Final Budget Positive/ (Negative)
Revenues:				
Assessments	\$ 168,000	\$ 168,000	\$ 169,997	\$ 1,997
Investment income	190	190	2,510	2,320
Miscellaneous	19,600	19,600	9,352	(10,248)
Total revenues	187,790	187,790	181,859	(5,931)
Expenditures:				
Current:				
Transportation	314,962	314,962	292,159	22,803
Total expenditures	314,962	314,962	292,159	22,803
Excess (deficiency) of revenues over (under) expenditures	(127,172)	(127,172)	(110,300)	16,872
Other financing uses:				
Transfers in	80,000	80,000	80,000	-
Transfers out	-	-	-	-
Total other financing uses	80,000	80,000	80,000	-
Net change in fund balance	(47,172)	(47,172)	(30,300)	16,872
Fund balances, beginning of year	471,999	453,643	453,643	-
Fund balances, end of year	\$ 424,827	\$ 406,471	\$ 423,343	\$ 16,872

See accompanying notes to financial statements.

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Budgetary Comparison Schedule

Road Maintenance- Jupiter Farms - Special Revenue Fund

Year Ended September 30, 2019

	Budget Original	Budget Final	Actual Amounts	Variance From Final Budget Positive/ (Negative)
Revenues:				
Assessments	\$ 667,200	\$ 667,200	\$ 676,203	\$ 9,003
Investment income	430	430	3,137	2,707
Miscellaneous	67,900	67,900	47,894	(20,006)
Total revenues	735,530	735,530	727,234	(8,296)
Expenditures:				
Current:				
Transportation	785,063	785,063	990,988	(205,925)
Capital outlay	-	-	34,667	(34,667)
Total expenditures	785,063	785,063	1,025,655	(240,592)
Excess (deficiency) of revenues over (under) expenditures	(49,533)	(49,533)	(298,421)	(248,888)
Other financing uses:				
Transfers in	140,000	140,000	140,000	-
Transfers out	-	-	-	-
Total other financing uses	140,000	140,000	140,000	-
Net change in fund balance	90,467	90,467	(158,421)	(248,888)
Fund balances, beginning of year	537,449	375,437	375,437	-
Fund balances, end of year	\$ 627,916	\$ 465,904	\$ 217,016	\$ (248,888)

See accompanying notes to financial statements.

This page intentionally left blank

This page intentionally left blank

**COMBINING FINANCIAL
STATEMENTS**

This page intentionally left blank

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Combining Balance Sheet
 Other Governmental Funds
 September 30, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total
Assets:				
Cash and short-term investments	\$ 179,722	\$ 351,117	\$ 208,188	\$ 739,027
Receivables:				
Special assessments	-	4,389,742	-	4,389,742
Accounts receivable	1,021	-	131	1,152
Total assets	\$ 180,743	\$ 4,740,859	\$ 208,319	\$ 5,129,921
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued expense	\$ 18,855	\$ 1,193	\$ -	\$ 20,048
Retainage Payable	-	-	11,624	11,624
Total liabilities	18,855	1,193	11,624	31,672
Deferred inflows of resources:				
Unavailable revenue-special assessments	-	4,389,742	-	4,389,742
Total deferred inflows of resources	-	4,389,742	-	4,389,742
Fund balances:				
Restricted for:				
Debt service	-	349,924	-	349,924
Future construction	-	-	196,695	196,695
Assigned for:				
Subsequent years operations	161,888	-	-	161,888
Total fund balances	161,888	349,924	196,695	708,507
Total liabilities, deferred inflows of resources, and fund balances	\$ 180,743	\$ 4,740,859	\$ 208,319	\$ 5,129,921

See accompanying notes to financial statements.

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 September 30, 2019

	PBCE Park Maintenance	Egret Landing Maintenance	Jupiter Commerce Park Maintenance
Assets:			
Cash and short-term investments	\$ 72,887	\$ 45,555	\$ 61,280
Receivables:			
Special assessments	-	-	-
Accounts receivable	1,021	-	-
Total assets	\$ 73,908	\$ 45,555	\$ 61,280
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued expenses	\$ 154	\$ 18,701	\$ -
Total liabilities	154	18,701	-
Fund balances:			
Assigned for:			
Subsequent years operations	73,754	26,854	61,280
Total fund balances	73,754	26,854	61,280
Total liabilities, deferred inflows of resources, and fund balances	\$ 73,908	\$ 45,555	\$ 61,280

See accompanying notes to financial statements.

**Total
Nonmajor
Special
Revenue
Funds**

\$ 179,722

-

1,021

\$ 180,743

\$ 18,855

18,855

161,888

161,888

\$ 180,743

See accompanying notes to financial statements.

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Combining Balance Sheet
 Nonmajor Debt Service Funds
 September 30, 2019

	2004 Road Improvement Notes	2009 PBCE Hookup Financing Note	2011 Road Improvement Note
Assets:			
Cash and short-term investments	\$ 29,178	\$ 162,560	\$ 88,719
Receivables:			
Special assessments	34,510	936,442	1,014,550
Accounts receivable	-	-	-
Total assets	\$ 63,688	\$ 1,099,002	\$ 1,103,269
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued expenses	\$ 32	\$ 403	\$ 228
Total liabilities	32	403	228
Deferred inflows of resources:			
Unavailable revenue-special assessments	34,510	936,442	1,014,550
Total deferred inflows of resources	34,510	936,442	1,014,550
Fund balances:			
Restricted for:			
Debt service	29,146	162,157	88,491
Total fund balances	29,146	162,157	88,491
Total liabilities, deferred inflows of resources, and fund balances	\$ 63,688	\$ 1,099,002	\$ 1,103,269

See accompanying notes to financial statements.

2013 Road Improvement Note	2016 Road Improvement Note	2018 Road Improvement Note	Total Nonmajor Debt Service Funds
\$ 25,155	\$ 40,171	\$ 5,334	\$ 351,117
377,380	1,099,190	927,670	4,389,742
-	-	-	-
\$ 402,535	\$ 1,139,361	\$ 933,004	\$ 4,740,859
\$ 103	\$ 244	\$ 183	\$ 1,193
103	244	183	1,193
377,380	1,099,190	927,670	4,389,742
377,380	1,099,190	927,670	4,389,742
25,052	39,927	5,151	349,924
25,052	39,927	5,151	349,924
\$ 402,535	\$ 1,139,361	\$ 933,004	\$ 4,740,859

See accompanying notes to financial statements.

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Combining Balance Sheet

Nonmajor Capital Projects Funds

September 30, 2019

	Other Capital Projects	Total Nonmajor Capital Projects Funds
Assets:		
Cash and short-term investments	\$ 208,188	\$ 208,188
Accounts receivable	131	131
Total assets	\$ 208,319	\$ 208,319
Liabilities, Deferred Inflows of Resources, and Fund Balances:		
Liabilities:		
Accounts payable and accrued expenses	-	-
Retainage Payable	11,624	11,624
Total liabilities	11,624	11,624
Fund balances:		
Restricted for:		
Future construction	\$ 196,695	\$ 196,695
Total fund balances	196,695	196,695
Total liabilities, deferred inflows of resources, and fund balances	\$ 208,319	\$ 208,319

See accompanying notes to financial statements.

This page intentionally left blank

This page intentionally left blank

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -

Other Governmental Funds

Year Ended September 30, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total
Revenues:				
Assessments	\$ 88,282	\$ 920,300	\$ 367,506	\$ 1,376,088
Investment income	753	5,528	2,261	8,542
Total revenues	89,035	925,828	369,767	1,384,630
Expenditures:				
Current:				
Physical environment	-	-	1,283	1,283
Recreation	14,351	-	-	14,351
Capital outlay	-	-	367,552	367,552
Debt service:				
Principal retirement	-	595,775	-	595,775
Interest and fiscal charges	-	202,901	-	202,901
Other debt service	-	88,088	-	88,088
Total expenditures	14,351	886,764	368,835	1,269,950
Excess (deficiency) of revenues over (under) expenditures	74,684	39,064	932	114,680
Other financing sources (uses):				
Transfers in	-	-	40,400	40,400
Transfers out	(107,600)	-	-	(107,600)
Total other financing sources (uses)	(107,600)	-	40,400	(67,200)
Net change in fund balance	(32,916)	39,064	41,332	47,480
Fund balances, beginning of year	194,804	310,860	155,363	661,027
Fund balances, end of year	\$ 161,888	\$ 349,924	\$ 196,695	\$ 708,507

See accompanying notes to financial statements.

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

*Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Special Revenue Funds
Year Ended September 30, 2019*

	PBCE Park Maintenance	Egret Landing Maintenance	Jupiter Commerce Park Maintenance
Revenues:			
Assessments	\$ 88,282	\$ -	\$ -
Investment income	410	92	251
Total revenue	88,692	92	251
Expenditures:			
Current:			
Recreation	14,351	-	-
Total expenditures	14,351	-	-
Excess (deficiency) of revenues over (under) expenditures	74,341	92	251
Other financing sources (uses):			
Transfers in			
Transfers out	(67,200)	(36,000)	(4,400)
Total other financing sources (uses)	(67,200)	(36,000)	(4,400)
Net change in fund balance	7,141	(35,908)	(4,149)
Fund balances, beginning of year	66,613	62,762	65,429
Fund balances, end of year	\$ 73,754	\$ 26,854	\$ 61,280

See accompanying notes to financial statements.

**Total
Nonmajor
Special
Revenue
Funds**

\$ 88,282
753

89,035

14,351

14,351

74,684

-
(107,600)

(107,600)

(32,916)

194,804

\$ 161,888

See accompanying notes to financial statements.

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

*Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Debt Service Funds
Year Ended September 30, 2019*

	2004 Road Improvement Notes	2009 PBCE Hookup Financing Note	2011 Road Improvement Note
Revenues:			
Assessments	\$ 38,470	\$ 310,774	\$ 174,840
Investment income	431	2,054	1,083
Total revenues	38,901	312,828	175,923
Expenditures:			
Debt service:			
Principal retirement	33,195	166,000	123,160
Interest and fiscal charges	2,685	46,499	46,238
Other debt service	265	83,674	1,281
Total expenditures	36,145	296,173	170,679
Excess (deficiency) of revenues over (under) expenditures	2,756	16,655	5,244
Other financing sources (uses):			
Transfers out			-
Total other financing sources (uses)	-	-	-
Net change in fund balance	2,756	16,655	5,244
Fund balances, beginning of year	26,390	145,502	83,247
Fund balances, end of year	\$ 29,146	\$ 162,157	\$ 88,491

See accompanying notes to financial statements.

	2013 Road Improvement Note	2016 Road Improvement Note	2018 Road Improvement Note	Total Nonmajor Debt Service Funds
	\$ 77,449	\$ 182,237	\$ 136,530	\$ 920,300
	519	938	503	5,528
	77,968	183,175	137,033	925,828
	55,190	137,900	80,330	595,775
	16,199	40,691	50,589	202,901
	562	1,331	975	88,088
	71,951	179,922	131,894	886,764
	6,017	3,253	5,139	39,064
	-	-	-	-
	-	-	-	-
	6,017	3,253	5,139	39,064
	19,035	36,674	12	310,860
	\$ 25,052	\$ 39,927	\$ 5,151	\$ 349,924

See accompanying notes to financial statements.

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

*Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Capital Projects Funds
Year Ended September 30, 2019*

	Other Capital Projects	Total Nonmajor Capital Projects
Revenues:		
Assessments	\$ 367,506	\$ 367,506
Investment income	2,261	2,261
Total revenues	369,767	369,767
Expenditures:		
Current:		
Physical environment	1,283	1,283
Transportation	-	-
Recreation	-	-
Capital outlay	367,552	367,552
Debt service:		
Principal retirement	-	-
Interest and fiscal charges	-	-
Other debt service	-	-
Total expenditures	368,835	368,835
Excess (deficiency) of revenues over (under) expenditures	932	932
Other financing sources (uses):		
Transfers in	40,400	40,400
Transfers out	-	-
Total other financing sources (uses)	40,400	40,400
Net change in fund balance	41,332	41,332
Fund balances, beginning of year	155,363	155,363
Fund balances, end of year	\$ 196,695	\$ 196,695

See accompanying notes to financial statements.

This page intentionally left blank

REQUIRED REPORTS



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
South Indian River Water Control District
Jupiter, 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, the business-type activities, each major fund, and the aggregate remaining fund information of South Indian River Water Control District, Jupiter, Florida (the "District") as of and for the fiscal year ended September 30, 2019, 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 25, 2020.

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.

A handwritten signature in blue ink that reads "B. Law & Associates".

June 25, 2020



**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
South Indian River Water Control District
Jupiter, Florida

We have examined South Indian River Water Control District, Jupiter, Florida's (the "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, 2019. Management is responsible for 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. 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, 2019.

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 South Indian River Water Control District, Jupiter, Florida and is not intended to be and should not be used by anyone other than these specified parties.

Grau & Associates

June 25, 2020



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

To the Board of Supervisors
South Indian River Water Control District
Jupiter, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements South Indian River Water Control District, Jupiter, Florida (the "District") as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated June 25, 2020.

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 Florida 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 25, 2020, 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 South Indian River Water Control District, Jupiter, Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank South Indian River Water Control District, Jupiter, 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.

Grau & Associates

June 25, 2020

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

II. PRIOR YEAR FINDINGS

None

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, 2018.

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, 2019.

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, 2019.

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. 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.