



South Indian River
*Water Control District*TM

FINANCIAL STATEMENTS
September 30, 2020

South Indian River Water Control District

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South Indian River Water Control District

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INTRODUCTORY SECTION

South Indian River Water Control District

Board of Supervisors

September 30, 2020

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, 2020, 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 2019 financial statements and, in our report dated June 25, 2020, 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, 2020, 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 May 5, 2021, 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.



May 5, 2021

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, 2020. 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, 2020, the assets of the District exceeded its liabilities by \$20,896,289. Of this amount, \$1,601,002 may be used to meet the District's ongoing operations.
- The District's net position decreased by \$62,622 primarily from a planned reduction in debt service fund balances.
- The District's total revenues (on an accrual basis) were \$4,160,470 for the year ended September 30, 2020, a decrease of \$745,199. The decrease is primarily due to the reduced assessments levied on lower debt service requirements.
- The total cost of all the District's programs was \$4,223,092 a decrease of \$192,575. The decrease was largely due to reduction in the cost of road maintenance operations.

Governmental Funds

- At September 30, 2020, the District's governmental funds reported combined ending fund balances of \$4,251,389 an increase of \$330,269 from the prior year.
- At the end of the current fiscal year, the District's fund balances assigned for subsequent year operations totaled \$1,422,726 or 33% 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. 75 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, 2020, there was no net OPEB liability.

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, 2020, 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, 7 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 \$20,896,289 at the close of the most recent year. The largest portion of the District's net position (61%) 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 (31%) 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, \$1,601,991 may be used to meet ongoing operations.

The following analysis highlights the net position as of September 30, 2020 and 2019:

	2020	2019	Increase (Decrease)	% Change
Current and other assets	\$ 6,549,414	\$ 6,160,795	\$ 388,619	6%
Long-term receivables	13,751,361	15,345,155	(1,593,794)	-10%
Capital assets	16,409,134	16,868,572	(459,438)	-3%
Total assets	<u>36,709,909</u>	<u>38,374,522</u>	<u>(1,664,613)</u>	<u>-4%</u>
Current liabilities	2,008,126	2,028,023	(19,897)	-1%
Non-current debt	13,805,494	15,387,588	(1,582,094)	-10%
Total liabilities	<u>15,813,620</u>	<u>17,415,611</u>	<u>(1,601,991)</u>	<u>-9%</u>
Net position:				
Net Investment in capital assets	12,811,333	10,884,978	1,926,355	18%
Restricted for:				
Capital projects	3,560	200,238	(196,678)	-98%
Debt service	6,480,394	7,348,577	(868,183)	-12%
Unrestricted	1,601,002	2,525,118	(924,116)	-37%
Total net position	<u>\$ 20,896,289</u>	<u>\$ 20,958,911</u>	<u>\$ (62,622)</u>	<u>0%</u>

The following analysis highlights the changes in net position for the years ended September 30, 2020 and 2019:

	2020	2019	Increase (Decrease)	% Change
Revenues:				
Program revenues:				
Assessments	\$ 3,895,025	\$ 4,481,703	\$ (586,678)	-13%
Charges for services	207,093	137,696	69,397	50%
Connection fees	-	10,667	(10,667)	-100%
Grant Income	23,093	133,558	(110,465)	-83%
Restricted investment income	35,259	44,670	(9,411)	-21%
General revenues:				
Other income	-	97,375	(97,375)	-100%
Total revenues	<u>4,160,470</u>	<u>4,905,669</u>	<u>(745,199)</u>	<u>-15%</u>
Program expenses including direct expenses:				
Water control	1,866,161	1,878,565	(12,404)	-1%
Road maintenance	1,687,419	1,818,253	(130,834)	-7%
Recreation	33,321	35,038	(1,717)	-5%
Infrastructure financing	636,191	683,811	(47,620)	-7%
Total program expenses	<u>4,223,092</u>	<u>4,415,667</u>	<u>(192,575)</u>	<u>-4%</u>
Increase (decrease) in net position	(62,622)	490,002	(552,624)	100%
Net position, beginning of year	20,958,911	20,468,909	490,002	2%
Net position, end of year	<u>\$ 20,896,289</u>	<u>\$ 20,958,911</u>	<u>\$ (62,622)</u>	<u>0%</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 began construction of an expansion to the Work Center. The expansion will create additional garage space to properly store its expanding fleet of equipment and provide for an area for detailed cleaning and painting and two areas for maintenance and repairs.

The District Engineer continued work on the Jupiter Farms Re-engineering project. The District's hydrologic and hydraulic model needed was updated using the latest topographic information from Palm Beach County. In addition, the model was amended to account for the various culverts that discharge into the main canal system. Using this model scenarios will be run to determine the sensitivity to various types of projects within the District. These concepts will give the basis for improvements throughout the entire Jupiter Farms area.

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, 2020 and 2019

	2020	2019
Assets:		
Current assets		
Cash and short-term investments - unrestricted	\$ 3,452,668	\$ 2,781,457
Cash and short-term investments - restricted	1,433,944	1,543,655
Receivables:		
Special assessments receivable - current portion - restricted	1,593,793	1,571,982
Due from other governments	-	194,444
Accounts receivable	51,786	53,893
Prepaid expenses	17,223	15,364
Total current assets	6,549,414	6,160,795
Noncurrent assets		
Long term receivable - special assessments - restricted	13,751,361	15,345,155
Capital assets not being depreciated:		
Land, canals, easements, and construction in progress	7,525,827	7,344,498
Capital assets being depreciated:		
Accumulated depreciation on depreciable capital assets	(6,165,591)	(5,461,373)
Total noncurrent assets	30,160,495	32,213,727
Total assets	\$ 36,709,909	\$ 38,374,522
Liabilities:		
Current liabilities:		
Accounts and contracts payable	\$ 253,233	\$ 276,763
Accrued interest payable	161,100	179,278
Current portion of long-term debt	1,593,793	1,571,982
Total current liabilities	2,008,126	2,028,023
Noncurrent liabilities:		
Bonds payable	9,345,000	10,150,000
Notes payable	4,406,361	5,195,155
Accrued compensated absences	54,133	42,433
Total noncurrent liabilities	13,805,494	15,387,588
Total liabilities	\$ 15,813,620	\$ 17,415,611
Net Position:		
Net investment in capital assets	12,811,333	10,884,978
Restricted for:		
Capital projects	3,560	200,238
Debt service	6,480,394	7,348,577
Unrestricted	1,601,002	2,525,118
Total net position	\$ 20,896,289	\$ 20,958,911

See accompanying notes to financial statements.

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Statements of Activities

Years Ended September 30, 2020 and 2019

	2020				
	Total	Water Control	Road Maintenance	Park Maintenance	Infrastructure Financing
Expenses:					
Direct expense:					
Physical environment	\$ 1,778,652	\$ 1,778,652	\$ -	\$ -	\$ -
Transportation	1,076,702	-	1,076,702	-	-
Recreation	12,634	-	-	12,634	-
Interest on debt	528,203	-	-	-	528,203
Indirect expenses:					
Depreciation	718,913	87,509	610,717	20,687	-
Other	107,988	-	-	-	107,988
Total expenses	4,223,092	1,866,161	1,687,419	33,321	636,191
Revenues:					
Program revenues:					
Assessments	3,895,025	2,434,127	871,769	61,103	528,026
Connection fees	-	-	-	-	-
Grant income	23,093	23,093	-	-	-
Other income	207,093	67,555	116,426	-	23,112
Restricted investment earnings	35,259	9,952	11,473	445	13,389
Total program revenues	4,160,470	2,534,727	999,668	61,548	564,527
Net program income (expense)	\$ (62,622)	\$ 668,566	\$ (687,751)	\$ 28,227	\$ (71,664)
General revenues:					
Gain on sale of equipment	-	-	-	-	-
Other income	-	-	-	-	-
Total general revenues	-	-	-	-	-
Change in net position	(62,622)				
Net position - beginning	20,958,911				
Net position - ending	\$ 20,896,289				

See accompanying notes to financial statements.

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Statements of Activities

Years Ended September 30, 2020 and 2019

	2019				
	Total	Water Control	Road Maintenance	Park Maintenance	Infrastructure Financing
Expenses:					
Direct expenses:					
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.

Fund Financial Statements

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Governmental Funds

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SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Balance Sheet
 Governmental Funds
 September 30, 2020

	Special Revenue Funds			
	Water Control Eastside	Water Control Westside	Road Maintenance - PBCE	Road Maintenance - Jupiter Farms
Assets:				
Cash and short-term investments	\$ 348,849	\$ 539,569	\$ 367,560	\$ 103,165
Receivables:				
Special assessments	-	-	-	-
Accounts receivable	4,113	9,830	1,105	4,280
Total assets	\$ 352,962	\$ 549,399	\$ 368,665	\$ 107,445
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued expenses	\$ 14,472	\$ 51,149	\$ 12,376	\$ 39,278
Retainage Payable	-	-	-	-
Total liabilities	14,472	51,149	12,376	39,278
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	338,490	498,250	356,289	68,167
Subsequent year's capital expenditures	-	-	-	-
Total fund balances	338,490	498,250	356,289	68,167
Total liabilities, deferred inflows of resources, and fund balances	\$ 352,962	\$ 549,399	\$ 368,665	\$ 107,445

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
\$ 1,004,162	\$ 114,175	\$ 1,344,603	\$ 575,481	\$ 4,397,564
10,150,000	1,425,032	-	3,770,122	15,345,154
15,229	1,429	-	6,550	42,536
\$ 11,169,391	\$ 1,540,636	\$ 1,344,603	\$ 4,352,153	\$ 19,785,254
\$ 1,221	\$ 227	\$ 26,888	\$ 30,281	\$ 175,892
-	-	-	12,819	12,819
1,221	227	26,888	43,100	188,711
10,150,000	1,425,032	-	3,770,122	15,345,154
10,150,000	1,425,032	-	3,770,122	15,345,154
1,018,170	115,377		316,353	1,449,900
-	-	3,560	-	3,560
-	-	1,314,155	-	1,314,155
-	-	-	161,530	1,422,726
-	-	-	61,048	61,048
1,018,170	115,377	1,317,715	538,931	4,251,389
\$ 11,169,391	\$ 1,540,636	\$ 1,344,603	\$ 4,352,153	\$ 19,785,254

See accompanying notes to financial statements.

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SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Reconciliation of Governmental Funds Balance Sheet

to the Statement of Net Position

September 30, 2020

Total governmental fund balances \$ 4,251,389

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	\$ 20,590,249	
Less accumulated depreciation	<u>(4,965,346)</u>	15,624,903

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. 1,181,097

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. 15,345,154

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	(15,345,154)	
Accrued interest on long-term debt	<u>(161,100)</u>	(15,506,254)

Total net position - governmental activities **\$ 20,896,289**

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, 2020*

	Special Revenue Funds			
	Water Control Eastside	Water Control Westside	Road Maintenance - PBCE	Road Maintenance - Jupiter Farms
Revenues:				
Assessments	\$ 654,809	\$ 1,617,155	\$ 178,486	\$ 693,283
Charges for services	9,076	38,924	9,076	38,924
Investment income	2,540	5,392	2,118	2,236
Miscellaneous	-	503	-	-
Total revenues	666,425	1,661,974	189,680	734,443
Expenditures:				
Current:				
Physical environment	442,531	1,277,131	-	-
Transportation	-	-	256,734	883,292
Recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Other debt service	-	-	-	-
Total expenditures	442,531	1,277,131	256,734	883,292
Excess (deficiency) of revenues over (under) expenditures	223,894	384,843	(67,054)	(148,849)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	(91,100)	-	-
Total other financing sources (uses)	-	(91,100)	-	-
Net change in fund balance	223,894	293,743	(67,054)	(148,849)
Fund balances, beginning of year	114,596	204,507	423,343	217,016
Fund balances, end of year	\$ 338,490	\$ 498,250	\$ 356,289	\$ 68,167

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	
\$ 1,024,997	\$ 218,854	\$ -	\$ 1,079,424	\$ 5,467,008	
-	-	-	-	96,000	
7,604	1,252	5,259	6,158	32,559	
23,112	-	-	-	23,615	
1,055,713	220,106	5,259	1,085,582	5,619,182	
-	-	-	571	1,720,233	
-	-	-	-	1,140,026	
-	-	-	12,634	12,634	
-	-	26,877	362,789	389,666	
780,000	172,363	-	619,620	1,571,983	
300,575	66,433	-	179,375	546,383	
14,745	2,493	-	90,750	107,988	
1,095,320	241,289	26,877	1,265,739	5,488,913	
(39,607)	(21,183)	(21,618)	(180,157)	130,269	
-	-	280,520	55,000	335,520	
-	-	-	(44,420)	(135,520)	
-	-	280,520	10,580	200,000	
(39,607)	(21,183)	258,902	(169,577)	330,269	
1,057,777	136,560	1,058,813	708,508	3,921,120	
\$ 1,018,170	\$ 115,377	\$ 1,317,715	\$ 538,931	\$ 4,251,389	

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, 2020*

Net change in fund balances - total governmental funds \$ 330,269

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. (240,534)

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. (170,537)

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		1,571,983	
Net change in accrued interest		<u>18,180</u>	
Total debt adjustments			1,590,163

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. (1,571,983)

Change in net position of governmental activities \$ **(62,622)**

See accompanying notes to financial statements.

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

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SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Statement of Net Position

Internal Service Fund

September 30, 2020

Assets:

Current assets:

Cash and short-term investments	\$	489,048
Accounts receivable		9,250
Due from other governments		-
Prepaid expenses		17,223
Total current assets		515,521

Noncurrent assets:

Equipment		1,984,476
Accumulated depreciation		(1,200,245)
Total noncurrent assets		784,231
Total assets	\$	1,299,752

Liabilities:

Current liabilities:

Accounts payable and accrued expenses	\$	64,522
Total current liabilities		64,522

Noncurrent liabilities:

Accrued compensated absences		54,133
Total liabilities		118,655

Net Position

Investment in capital assets		784,231
Net position - unrestricted		396,866
Total net position		1,181,097
Total liabilities and net position	\$	1,299,752

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, 2020

Operating revenues:

Charges for services	\$ 1,878,910
Intergovernmental -Federal Grants	23,093
Other	7,368

Total operating revenues **1,909,371**

Operating expenses:

Personal services	1,047,100
Materials, supplies, services and other operating expenses	570,198
Depreciation	158,710

Total operating expenses **1,776,008**

Operating income 133,363

Nonoperating revenues (expenses):

Investment income	2,700
Rental income	31,740
Transfers out	(200,000)

Total nonoperating expenses **(165,560)**

Change in net position (32,197)

Net position, beginning of year 1,213,294

Net position, end of year **\$ 1,181,097**

See accompanying notes to financial statements.

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Statement of Cash Flows

Internal Service Fund

Year Ended September 30, 2020

Cash flows from operating activities:

Cash receipts from quasi-external operating transactions	\$ 2,096,447
Cash payments to suppliers for goods and services	(605,901)
Cash payments to employees for services	(1,035,400)
Other operating revenues	7,368

Net cash provided by operating activities **462,514**

Cash flows from capital and related financing activities:

Purchase of fixed assets	(78,145)
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Net cash used by capital and related financing activities **(78,145)**

Cash flows from noncapital financing activities

Interest income	2,700
Rental income	31,740
Transfers to other funds-net	(200,000)

Net cash used by noncapital financing activities **(165,560)**

Net increase in cash and cash equivalents 218,809

Cash and cash equivalents, beginning of year 270,239

Cash and cash equivalents, end of year **489,048**

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

Operating income **133,363**

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

Depreciation expense	158,710
Decrease in:	
Prepaid expenses	(1,859)
Increase in:	
Amounts due from other governments	194,444
Accounts payable and accrued expenses	(33,844)
Accrued compensated absences	11,700

Total adjustments **329,151**

Net cash provided by operating activities **\$ 462,514**

See accompanying notes to financial statements.

Notes to Financial Statements

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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, 2020

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, 2020, the carrying amount of cash on hand and on deposit with banks, including interest-bearing accounts, was \$110,171. 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, 2020 the District's investments were held as follows:

	Amortized Cost	Credit Risk	Maturity
Money Market Funds	\$ 2,108,163	S&P: A-2	Less than 7 days
Certificates of Deposit	2,676,907	S&P: A-2	47
Total	\$ 4,785,070		

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, 2020, the District had the following transfers between funds:

	Transfers In	Transfers Out
Major fund:		
Road Improvement Funds	\$ 280,520	\$
Water Control Westside		91,100
Nonmajor fund:		
2004 Road Improvement Notes		4,020
PBCE Park Maintenance		40,400
Engineering Initiatives	55,000	
Proprietary Fund		
Internal Service Fund		200,000
Totals	\$ 335,520	\$ 335,520

NOTE 4. CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended September 30, 2020, 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	120,916	181,329	-	302,245
Total Capital Assets Not Being Depreciate	7,344,498	181,329	-	7,525,827
Capital Assets Being Depreciated:				
Buildings	188,153	-	-	188,153
Improvements & Infrastructure:	12,876,269	-	-	12,876,269
Machinery And Equipment	1,921,025	78,146	(14,695)	1,984,476
Total Capital Assets Being Depreciated	14,985,447	78,146	(14,695)	15,048,898
Accumulated Depreciation:				
Buildings	169,341	4,704	-	174,045
Improvements & Infrastructure:	4,235,803	555,498	-	4,791,301
Equipment	1,056,229	158,711	(14,695)	1,200,245
Total Accumulated Depreciation	5,461,373	718,913	(14,695)	6,165,591
Net Capital Assets Being Depreciated	9,524,074	(640,767)	-	8,883,307
Total Capital Assets, Net	16,868,572	\$ (459,438)	\$ -	\$ 16,409,134

Depreciation was charged to functions as follows:

Water Control	\$ 87,509
Road Maintenance	610,717
Park Maintenance	20,687
Total depreciation expense	\$ 718,913

NOTE 5. LONG-TERM OBLIGATION

Changes in long-term obligations for the year ended September 30, 2020, are summarized below:

	Beginning Balance	Additions	Reductions	Ending Balance
Special Assessment Bonds	\$ 10,930,000	\$ -	\$ 780,000	\$ 10,150,000
Special Assessment Notes	5,987,135	-	791,981	5,195,154
Long-term liabilities	\$ 16,917,135	\$ -	\$ 1,571,981	\$ 15,345,154

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

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 \$805,000 to \$1,055,000 through August 1, 2031 with interest 2.75% payable semi-annually on February 1st and August 1st of each year. \$ 10,150,000

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.

\$3,200,000 2007 OGEM Road Improvement Note due in annual installments of \$179,533 to \$229,393 through August 1, 2027, with interest at 4.16% payable semi-annually on February 1st and August 1st of each year. \$ 1,425,032

\$2,330,000 2009 PBCE Hookup Financing Note due in annual installments of \$181,000 to \$196,000 through August 1, 2023 with interest at at 4.17% per annum is payable semi-annually on February 1st and August 1st of each year. A final installment of \$198,442 plus interest at 4.17% per annum is due on July 20, 2024. 763,442

NOTE 5. LONG-TERM OBLIGATION (Continued)

\$1,875,000 2011 Road Improvement Note due in annual installments of \$133,390 to \$162,880 through August 1, 2026, with interest at 4.07% payable semi-annually on February 1st and August 1st of each year. 886,380

\$680,000, 2013 Road Improvement Note due in annual installments of \$ 59,400 to \$68,830 through October 1, 2026, payable semi-annually on April 1st and October 1st of each year. Interest is accrued at 3.75% per annum 320,130

\$1,500,000, 2016 Road Improvement Note due in annual installments of \$146,990 to \$172,490 through August 1, 2026, payable semi-annually on February 1st and August 1st of each year. Interest is accrued at 3.25% per annum 956,810

\$1,008,000, 2018 Road Improvement Note due in annual installments of \$ 88,480 to \$ 124,100 through August 1, 2028, payable semi-annually on February 1st and August 1st of each year. Interest is accrued at 4.95% per annum 843,360

Total Long-Term Notes	5,195,154
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Total Long-Term Obligations	\$ 15,345,154
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Reported in the statement of net assets as:

Total long-term obligations	\$ 15,345,154
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Less current portion	(1,593,793)
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Noncurrent portion	\$ 13,751,361
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NOTE 5. LONG-TERM OBLIGATION (Continued)

Changes in long-term obligations for the year ended September 30, 2020, 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, 2019	\$ 10,930,000	\$ 34,509	\$ 1,597,394
Bonds/notes issued	-		
Bonds/notes retired	(780,000)	(34,509)	(172,362)
Long-term obligations, September 30, 2020	\$ 10,150,000	\$ -	\$ 1,425,032

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
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	1,082,138	-	238,815
2026-2030	5,407,750	-	477,748
2031	1,084,012	-	-
Totals	11,900,375	-	1,671,821
Less amount representing interest	1,750,375	-	246,789
Totals	\$ 10,150,000	\$ -	\$ 1,425,032

NOTE 5. LONG-TERM OBLIGATION (Continued)

Changes in long-term obligations for the year ended September 30, 2020, are summarized below:

	2009 PBCE Hookup Financing Program	2011 Road Improvement	2013 Road Improvement
Long-term obligations October 1, 2019	\$ 936,442	\$ 1,014,550	\$ 377,380
Bonds/notes issued			-
Bonds/notes retired	(173,000)	(128,170)	(57,250)
Long-term obligations, September 30, 2020	\$ 763,442	\$ 886,380	\$ 320,130

Debt service requirements to maturity are as follows:

	2009 PBCE Hookup Financing Program	2011 Road Improvement	2013 Road Improvement
2021	\$ 211,962	\$ 169,466	\$ 72,383
2022	211,621	169,467	72,204
2023	211,997	169,467	72,015
2024	206,313	169,467	71,827
2025	-	169,468	71,620
2026-2030	-	169,508	-
2031	-	-	-
Totals	841,893	1,016,843	360,049
Less amount representing interest	78,451	130,463	39,919
Totals	\$ 763,442	\$ 886,380	\$ 320,130

NOTE 5. LONG-TERM OBLIGATION (Continued)

2016 Road Improvement	2018 Road Improvement	Total Notes and Bonds Payable	Amount Representing Principal
\$ 1,099,190	\$ 927,670	\$ 16,917,135	\$ 16,917,135
-	-	-	-
(142,380)	(84,310)	(1,571,981)	(1,571,981)
\$ 956,810	\$ 843,360	\$ 15,345,154	\$ 15,345,154

2016 Road Improvement	2018 Road Improvement	Total Notes and Bonds Payable	Amount Representing Interest	Amount Representing Principal
\$ 178,518	\$ 130,806	\$ 2,086,074	\$ 492,281	\$ 1,593,793
178,455	130,746	2,083,295	438,213	1,645,082
178,384	130,675	2,080,652	382,311	1,698,341
178,365	130,682	2,076,532	324,456	1,752,076
178,249	130,532	1,870,822	264,808	1,606,014
178,174	391,191	6,624,371	629,523	5,994,848
-	-	1,084,012	29,012	1,055,000
1,070,145	1,044,632	17,905,758	2,560,604	15,345,154
113,335	201,272	2,560,604	(2,560,604)	-
\$ 956,810	\$ 843,360	\$ 15,345,154	-	\$ 15,345,154

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, 2020, there were 18 plan members. The District's total payroll for all employees was \$790,910 and those covered by the plan was \$683,827. 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, 2020 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.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Budgetary Comparison Schedule

Water Control Eastside - Special Revenue Fund

Year Ended September 30, 2020

	Budget Original	Budget Final	Actual Amounts	Variance From Final Budget Positive/ Negative
Revenues:				
Assessments	\$ 652,800	\$ 652,800	\$ 654,809	\$ 2,009
Charges for services	19,800	19,800	9,076	(10,724)
Investment income	130	-	2,540	2,540
Total revenues	672,730	672,600	666,425	(6,175)
Expenditures:				
Current:				
Physical environment	543,680	543,680	442,531	101,149
Total expenditures	543,680	543,680	442,531	101,149
Excess (deficiency) of revenues over (under) expenditures	129,050	128,920	223,894	94,974
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	223,894	174,974
Fund balances, beginning of year	3,144	114,596	114,596	-
Fund balances, end of year	\$ 52,194	\$ 163,516	\$ 338,490	\$ 174,974

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, 2020

	Budget Original	Budget Final	Actual Amounts	Variance From Final Budget Positive/ Negative
Revenues:				
Assessments	\$ 1,704,000	\$ 1,704,000	\$ 1,617,155	\$ (86,845)
Charges for services	67,900	67,900	38,924	(28,976)
Investment income	510	200	5,392	5,192
Miscellaneous			503	503
Total revenues	1,772,410	1,772,100	1,661,974	(110,126)
Expenditures:				
Current:				
Physical environment	1,467,695	1,467,695	1,277,131	190,564
Total expenditures	1,467,695	1,467,695	1,277,131	190,564
Excess (deficiency) of revenues over (under) expenditures	304,715	304,405	384,843	80,438
Other financing uses:				
Transfers in	-	-	-	-
Transfers out	(176,100)	(176,100)	(91,100)	85,000
Total other financing uses	(176,100)	(176,100)	(91,100)	85,000
Net change in fund balance	128,615	128,305	293,743	165,438
Fund balances, beginning of year	3,769	204,507	204,507	-
Fund balances, end of year	\$ 132,384	\$ 332,812	\$ 498,250	\$ 165,438

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, 2020

	Budget Original	Budget Final	Actual Amounts	Variance From Final Budget Positive/ Negative
Revenues:				
Assessments	\$ 168,000	\$ 168,000	\$ 178,486	\$ 10,486
Charges for services	19,600	19,600	9,076	(10,524)
Investment income	190	190	2,118	1,928
Total revenues	187,790	187,790	189,680	1,890
Expenditures:				
Current:				
Transportation	314,962	314,962	256,734	58,228
Total expenditures	314,962	314,962	256,734	58,228
Excess (deficiency) of revenues over (under) expenditures	(127,172)	(127,172)	(67,054)	60,118
Other financing uses:				
Transfers in	80,000	80,000	-	-
Transfers out	-	-	-	-
Total other financing uses	80,000	80,000	-	-
Net change in fund balance	(47,172)	(47,172)	(67,054)	60,118
Fund balances, beginning of year	471,999	423,343	423,343	-
Fund balances, end of year	\$ 424,827	\$ 376,171	\$ 356,289	\$ 60,118

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, 2020

	Budget Original	Budget Final	Actual Amounts	Variance From Final Budget Positive/ Negative
Revenues:				
Assessments	\$ 667,200	\$ 667,200	\$ 693,283	\$ 26,083
Charges for services	67,900	67,900	38,924	(28,976)
Investment income	430	430	2,236	1,806
Total revenues	735,530	735,530	734,443	(1,087)
Expenditures:				
Current:				
Transportation	785,063	785,063	883,292	(98,229)
Total expenditures	785,063	785,063	883,292	(98,229)
Excess (deficiency) of revenues over (under) expenditures	(49,533)	(49,533)	(148,849)	(99,316)
Other financing uses:				
Transfers in	140,000	140,000	-	-
Transfers out	-	-	-	-
Total other financing uses	140,000	140,000	-	-
Net change in fund balance	90,467	90,467	(148,849)	(99,316)
Fund balances, beginning of year	537,449	217,016	217,016	-
Fund balances, end of year	\$ 627,916	\$ 307,483	\$ 68,167	\$ (99,316)

See accompanying notes to financial statements.

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**COMBINING FINANCIAL
STATEMENTS**

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SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Combining Balance Sheet
 Other Governmental Funds
 September 30, 2020

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total
Assets:				
Cash and short-term investments	\$ 179,969	\$ 312,048	\$ 83,464	\$ 575,481
Receivables:				
Special assessments	-	3,770,122	-	3,770,122
Accounts receivable	375	5,188	987	6,550
Total assets	\$ 180,344	\$ 4,087,358	\$ 84,451	\$ 4,352,153
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued expense	\$ 18,814	\$ 883	\$ 10,584	\$ 30,281
Retainage Payable	-	-	12,819	12,819
Total liabilities	18,814	883	23,403	43,100
Deferred inflows of resources:				
Unavailable revenue-special assessments	-	3,770,122	-	3,770,122
Total deferred inflows of resources	-	3,770,122	-	3,770,122
Fund balances:				
Restricted for:				
Debt service	-	316,353	-	316,353
Assigned for:				
Subsequent years operations	161,530	-	-	161,530
Subsequent year's capital expenditures			61,048	61,048
Total fund balances	161,530	316,353	61,048	538,931
Total liabilities, deferred inflows of resources, and fund balances	\$ 180,344	\$ 4,087,358	\$ 84,451	\$ 4,352,153

See accompanying notes to financial statements.

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Combining Balance Sheet

Nonmajor Special Revenue Funds

September 30, 2020

	PBCE Park Maintenance	Egret Landing Maintenance	Jupiter Commerce Park Maintenance
Assets:			
Cash and short-term investments	\$ 82,006	\$ 36,379	\$ 61,584
Receivables:			
Special assessments	-	-	-
Accounts receivable	375	-	-
Total assets	\$ 82,381	\$ 36,379	\$ 61,584
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued expenses	\$ 113	\$ 18,701	\$ -
Total liabilities	113	18,701	-
Fund balances:			
Assigned for:			
Subsequent years operations	82,268	17,678	61,584
Total fund balances	82,268	17,678	61,584
Total liabilities, deferred inflows of resources, and fund balances	\$ 82,381	\$ 36,379	\$ 61,584

See accompanying notes to financial statements.

**Total
Nonmajor
Special
Revenue
Funds**

\$ 179,969

-
375

\$ 180,344

\$ 18,814

18,814

161,530

161,530

\$ 180,344

See accompanying notes to financial statements.

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Combining Balance Sheet
 Nonmajor Debt Service Funds
 September 30, 2020

		2004 Road Improvement Notes	2009 PBCE Hookup Financing Note	2011 Road Improvement Note
Assets:				
Cash and short-term investments	\$	-	\$ 153,570	\$ 81,153
Receivables:				
Special assessments		-	763,442	886,380
Accounts receivable		-	1,774	1,011
Total assets	\$	-	\$ 918,786	\$ 968,544
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued expenses	\$	-	\$ 302	\$ 171
Total liabilities		-	302	171
Deferred inflows of resources:				
Unavailable revenue-special assessments		-	763,442	886,380
Total deferred inflows of resources		-	763,442	886,380
Fund balances:				
Restricted for:				
Debt service		-	155,042	81,993
Total fund balances		-	155,042	81,993
Total liabilities, deferred inflows of resources, and fund balances	\$	-	\$ 918,786	\$ 968,544

See accompanying notes to financial statements.

2013 Road Improvement Note	2016 Road Improvement Note	2018 Road Improvement Note	Total Nonmajor Debt Service Funds
\$ 29,028	\$ 39,662	\$ 8,635	\$ 312,048
320,130	956,810	843,360	3,770,122
458	1,101	844	5,188
\$ 349,616	\$ 997,573	\$ 852,839	\$ 4,087,358
\$ 80	\$ 188	\$ 142	\$ 883
80	188	142	883
320,130	956,810	843,360	3,770,122
320,130	956,810	843,360	3,770,122
29,406	40,575	9,337	316,353
29,406	40,575	9,337	316,353
\$ 349,616	\$ 997,573	\$ 852,839	\$ 4,087,358

See accompanying notes to financial statements.

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Combining Balance Sheet

Nonmajor Capital Projects Funds

September 30, 2020

	Engineering Initiatives	Other Capital Projects	Total Nonmajor Capital Projects Funds
Assets:			
Cash and short-term investments	\$ 38,122	\$ 45,342	\$ 83,464
Accounts receivable	731	256	987
Total assets	\$ 38,853	\$ 45,598	\$ 84,451
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued expenses	\$ 10,584	\$ -	\$ 10,584
Retainage Payable	-	12,819	12,819
Total liabilities	\$ 10,584	\$ 12,819	\$ 23,403
Fund balances:			
Assigned for:			-
Subsequent year's capital expenditures	28,269	32,779	61,048
Total fund balances	28,269	32,779	61,048
Total liabilities, deferred inflows of resources, and fund balances	\$ 38,853	\$ 45,598	\$ 84,451

See accompanying notes to financial statements.

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SOUTH INDIAN RIVER WATER CONTROL DISTRICT

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

Other Governmental Funds

Year Ended September 30, 2020

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total
Revenues:				
Assessments	\$ 61,103	\$ 856,157	\$ 162,164	\$ 1,079,424
Investment income	972	4,036	1,150	6,158
Miscellaneous	-	-	-	-
Total revenues	62,075	860,193	163,314	1,085,582
Expenditures:				
Current:				
Physical environment	-	-	571	571
Transportation	-	-	-	-
Recreation	12,634	-	-	12,634
Capital outlay	9,399.00	-	353,390	362,789
Debt service:				
Principal retirement	-	619,620	-	619,620
Interest and fiscal charges	-	179,375	-	179,375
Other debt service	-	90,750	-	90,750
Total expenditures	22,033	889,745	353,961	1,265,739
Excess (deficiency) of revenues over (under) expenditures	40,042	(29,552)	(190,647)	(180,157)
Other financing sources (uses):				
Transfers in	-	-	55,000	55,000
Transfers out	(40,400)	(4,020)	-	(44,420)
Total other financing sources (uses)	(40,400)	(4,020)	55,000	10,580
Net change in fund balance	(358)	(33,572)	(135,647)	(169,577)
Fund balances, beginning of year	161,888	349,925	196,695	708,508
Fund balances, end of year	\$ 161,530	\$ 316,353	\$ 61,048	\$ 538,931

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, 2020*

	PBCE Park Maintenance	Egret Landing Maintenance	Jupiter Commerce Park Maintenance
Revenues:			
Assessments	\$ 61,103	\$ -	\$ -
Investment income	445	223	304
Total revenue	61,548	223	304
Expenditures:			
Current:			
Physical environment	-	-	-
Transportation	-	-	-
Recreation	12,634	-	-
Capital outlay	-	9,399	-
Total expenditures	12,634	9,399.00	-
Excess (deficiency) of revenues over (under) expenditures	48,914	(9,176)	304
Other financing sources (uses):			
Transfers out	(40,400)	-	-
Total other financing sources (uses)	(40,400)	-	-
Net change in fund balance	8,514	(9,176)	304
Fund balances, beginning of year	73,754	26,854	61,280
Fund balances, end of year	\$ 82,268	\$ 17,678	\$ 61,584

See accompanying notes to financial statements.

**Total
Nonmajor
Special
Revenue
Funds**

\$ 61,103
972

62,075

-
-

12,634

22,033

40,042

(40,400)

(40,400)

(358)

161,888

\$ 161,530

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, 2020*

	2004 Road Improvement Notes	2009 PBCE Hookup Financing Note	2011 Road Improvement Note
Revenues:			
Assessments	\$ 10,835	\$ 288,294	\$ 164,179
Investment income	105	1,562	615
Miscellaneous	-	-	-
Total revenues	10,940	289,856	164,794
Expenditures:			
Debt service:	-	-	-
Principal retirement	34,510	173,000	128,170
Interest and fiscal charges	1,366	39,662	41,278
Other debt service	190	84,309	1,844
Total expenditures	36,066	296,971	171,292
Excess (deficiency) of revenues over (under) expenditures	(25,126)	(7,115)	(6,498)
Other financing sources (uses):			
Transfers out	(4,020)	-	-
Total other financing sources (uses)	(4,020)	-	-
Net change in fund balance	(29,146)	(7,115)	(6,498)
Fund balances, beginning of year	29,146	162,157	88,491
Fund balances, end of year	\$ -	\$ 155,042	\$ 81,993

See accompanying notes to financial statements.

	2013 Road Improvement Note	2016 Road Improvement Note	2018 Road Improvement Note	Total Nonmajor Debt Service Funds
	\$ 75,893	\$ 180,587	\$ 136,369	\$ 856,157
	673	756	325	4,036
	-	-	-	-
	76,566	181,343	136,694	860,193
	-	-	-	-
	57,250	142,380	84,310	619,620
	14,112	36,294	46,663	179,375
	850	2,022	1,535	90,750
	72,212	180,696	132,508	889,745
	4,354	647	4,186	(29,552)
	-	-	-	-
	-	-	-	(4,020)
	-	-	-	(4,020)
	4,354	647	4,186	(33,572)
	25,052	39,928	5,151	349,925
	\$ 29,406	\$ 40,575	\$ 9,337	\$ 316,353

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, 2020*

	Engineering Initiatives	Other Capital Projects	Total Nonmajor Capital Projects
Revenues:			
Assessments	\$ 120,388	41,776	\$ 162,164
Investment income	480	670	1,150
Miscellaneous	-	-	-
Total revenues	120,868	42,446	163,314
Expenditures:			
Current:			
Physical environment	423	148	571
Transportation	-	-	-
Recreation	-	-	-
Capital outlay	147,176	206,214	353,390
Total expenditures	147,599	206,362	353,961
Excess (deficiency) of revenues over (under) expenditures	(26,731)	(163,916)	(190,647)
Other financing sources (uses):			
Transfers in	55,000	-	55,000
Transfers out	-	-	-
Total other financing sources (uses)	55,000	-	55,000
Net change in fund balance	28,269	(163,916)	(135,647)
Fund balances, beginning of year	-	196,695	196,695
Fund balances, end of year	\$ 28,269	32,779	\$ 61,048

See accompanying notes to financial statements.

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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated May 5, 2021.

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 "Brian & Associates".

May 5, 2021



**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, 2020. 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, 2020.

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

May 5, 2021



**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, 2020, and have issued our report thereon dated May 5, 2021.

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 May 5, 2021, 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

May 5, 2021

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, 2019.

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, 2020.

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, 2020.

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.

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