



South Indian River
*Water Control District*TM

FINANCIAL STATEMENTS
September 30, 2021

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, 2021

Thomas H. Powell	President
Michael Howard	Vice President
John Meyer	Member
John Jones	Member
Susan Kennedy	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, 2021, 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 2020 financial statements and, in our report dated May 5, 2021, we expressed unmodified opinions on the respective financial statements of the governmental 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, 2021, 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 information for compliance with FL Statute 218.39 (3) (c) is not a required part of the 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.

The information for compliance with FL Statute 218.39 (3) (c) has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2022, 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 10, 2022

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, 2021. 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, 2021, the assets of the District exceeded its liabilities by \$20,762,382. Of this amount, \$1,631,104 may be used to meet the District's ongoing operations.
- The District's net position decreased by \$133,907 primarily from a planned reduction in debt service fund balances.
- The District's total revenues (on an accrual basis) were \$4,017,562 for the year ended September 30, 2021, a decrease of \$142,908. 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 \$4,151,469 a decrease of \$71,623. The decrease was largely due to reduction in the cost of water control operations.

Governmental Funds

- At September 30, 2021, the District's governmental funds reported combined ending fund balances of \$4,394,571 an increase of \$143,181 from the prior year.
- At the end of the current fiscal year, the District's fund balances assigned for subsequent year operations totaled \$1,402,109 or 32% 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, 2021, 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, 2021, the District maintained 18 individual governmental funds: 7 special revenue funds, 8 debt service funds, and 5 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 District adopts annual budgets for the Special Revenue and Debt Service Funds pursuant to the requirements of Florida Statutes using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may

not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. More detailed information about the District's budgets is presented in the notes of the financial statements.

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 \$20,762,382 at the close of the most recent year. The largest portion of the District's net position (65%) 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 (27%) 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, \$1,631,104 may be used to meet ongoing operations.

The following analysis highlights the net position as of September 30, 2021, and 2020:

	2021	2020	Increase (Decrease)	% Change
Current and other assets	\$ 6,726,359	\$ 6,549,414	\$ 176,945	3%
Long-term receivables	12,106,279	13,751,361	(1,645,082)	-12%
Capital assets	16,260,105	16,409,134	(149,029)	-1%
Total assets	<u>35,092,743</u>	<u>36,709,909</u>	<u>(1,617,166)</u>	<u>-4%</u>
Current liabilities	2,058,469	2,008,126	50,343	3%
Non-current debt	12,271,892	13,805,494	(1,533,602)	-11%
Total liabilities	<u>14,330,361</u>	<u>15,813,620</u>	<u>(1,483,259)</u>	<u>-9%</u>
Net position:				
Net Investment in capital assets	13,501,358	12,811,333	690,025	5%
Restricted for:				
Capital projects	2,532	3,560	(1,028)	-29%
Debt service	5,627,388	6,480,394	(853,006)	-13%
Unrestricted	1,631,104	1,601,002	30,102	2%
Total net position	<u>\$ 20,762,382</u>	<u>\$ 20,896,289</u>	<u>\$ (133,907)</u>	<u>-1%</u>

The following analysis highlights the changes in net position for the years ended September 30, 2021 and 2020:

	2021	2020	Increase (Decrease)	% Change
Revenues:				
Program revenues:				
Assessments	\$ 3,814,828	\$ 3,895,025	\$ (80,197)	-2%
Charges for services	192,491	207,093	(14,602)	-7%
Grant Income	-	23,093	(23,093)	-100%
Restricted investment income	10,243	35,259	(25,016)	-71%
Total revenues	<u>4,017,562</u>	<u>4,160,470</u>	<u>(142,908)</u>	<u>-3%</u>
Program expenses including direct expenses:				
Water control	1,793,216	1,866,161	(72,945)	-4%
Road maintenance	1,746,531	1,687,419	59,112	4%
Recreation	34,249	33,321	928	3%
Infrastructure financing	577,473	636,191	(58,718)	-9%
Total program expenses	<u>4,151,469</u>	<u>4,223,092</u>	<u>(71,623)</u>	<u>-2%</u>
Increase (decrease) in net position	(133,907)	(62,622)	(71,285)	100%
Net position, beginning of year	20,896,289	20,958,911	(62,622)	0%
Net position, end of year	<u>\$ 20,762,382</u>	<u>\$ 20,896,289</u>	<u>\$ (133,907)</u>	<u>-1%</u>

Capital Assets and Debt Administration

Capital Assets

At September 30, 2021, the District had \$23,147,412 invested in capital assets for its governmental activities. In the government-wide financial statements depreciation of (\$6,887,307) has been taken, which resulted in a net book value of \$16,260,105. More detailed information about the District's capital assets is presented in the notes of the financial statements.

Capital Debt

At September 30, 2021, the District had \$13,907,651 Bonds, Notes, and capital leases outstanding for its governmental activities. More detailed information about the District's capital debt is presented in the notes of the financial statements.

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 Completed construction of an expansion to the Work Center. The expansion created 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 completed 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.

The District completed the reconstruction of two major culverts in the Jupiter Farms area.

For the ensuing year the District will be making drainage improvements to the section 7 area of Jupiter Farms. Related to this project the District was awarded a grant from the Florida Department of Environmental Protection to assist in this project. The amount of the grant is \$353,650

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, 2021 and 2020

	2021	2020
Assets:		
Current assets		
Cash and short-term investments - unrestricted	\$ 3,606,814	\$ 3,452,668
Cash and short-term investments - restricted	1,362,485	1,433,944
Receivables:		
Special assessments receivable - current portion - restricted	1,645,082	1,593,793
Due from other governments	-	-
Accounts receivable	55,554	51,786
Prepaid expenses	56,424	17,223
Total current assets	6,726,359	6,549,414
Noncurrent assets		
Long term receivable - special assessments - restricted	12,106,279	13,751,361
Capital assets not being depreciated:		
Land, canals, easements, and construction in progress	7,655,517	7,525,827
Capital assets being depreciated:		
Accumulated depreciation on depreciable capital assets	(6,887,307)	(6,165,591)
Total noncurrent assets	28,366,384	30,160,495
Total assets	\$ 35,092,743	\$ 36,709,909
Liabilities:		
Current liabilities:		
Accounts and contracts payable	\$ 218,980	\$ 253,233
Accrued interest payable	143,735	161,100
Current portion of long-term debt	1,695,754	1,593,793
Total current liabilities	2,058,469	2,008,126
Noncurrent liabilities:		
Bond payable	8,520,000	9,345,000
Notes payable	3,586,279	4,406,361
Capital lease payable	105,618	
Accrued compensated absences	59,995	54,133
Total noncurrent liabilities	12,271,892	13,805,494
Total liabilities	\$ 14,330,361	\$ 15,813,620
Net Position:		
Net investment in capital assets	13,501,358	12,811,333
Restricted for:		
Capital projects	2,532	3,560
Debt service	5,627,388	6,480,394
Unrestricted	1,631,104	1,601,002
Total net position	\$ 20,762,382	\$ 20,896,289

See accompanying notes to financial statements.

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Statements of Activities

Years Ended September 30, 2021 and 2020

	2021				
	Total	Water Control	Road Maintenance	Park Maintenance	Infrastructure Financing
Expenses:					
Direct expense:					
Physical environment	\$ 1,698,564	\$ 1,698,564	\$ -	\$ -	\$ -
Transportation	1,128,672	-	1,128,672	-	-
Recreation	13,563	-	-	13,563	-
Interest on debt	475,046	-	-	-	475,046
Indirect expenses:					
Depreciation	733,197	94,652	617,859	20,686	-
Other	102,427	-	-	-	102,427
Total expenses	4,151,469	1,793,216	1,746,531	34,249	577,473
Revenues:					
Program revenues:					
Assessments	3,814,828	2,401,938	891,781	22,356	498,753
Other income	192,491	72,412	109,412	-	10,667
Restricted investment earnings	10,243	4,369	2,208	84	3,582
Total program revenues	4,017,562	2,478,719	1,003,401	22,440	513,002
Net program income (expense)	\$ (133,907)	\$ 685,503	\$ (743,130)	\$ (11,809)	\$ (64,471)
Change in net position	(133,907)				
Net position - beginning	20,896,289				
Net position - ending	\$ 20,762,382				

See accompanying notes to financial statements.

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Statements of Activities

Years Ended September 30, 2021 and 2020

	2020				
	Total	Water Control	Road Maintenance	Park Maintenance	Infrastructure Financing
Expenses:					
Direct expenses:					
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
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)
Change in net position	(62,622)				
Net position - beginning	20,958,911				
Net position - ending	\$ 20,896,289				

See accompanying notes to financial statements.

Fund Financial Statements

Governmental Funds

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Balance Sheet

Governmental Funds

September 30, 2021

	Special Revenue Funds			
	Water Control Eastside	Water Control Westside	Road Maintenance - PBCE	Road Maintenance - Jupiter Farms
Assets:				
Cash and short-term investments	\$ 447,978	\$ 656,680	\$ 224,722	\$ -
Receivables:				
Due from other funds	-	48,319	-	-
Accounts receivable	2,729	8,244	785	3,803
Total assets	\$ 450,707	\$ 713,243	\$ 225,507	\$ 3,803
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued expenses	\$ 21,249	\$ 38,476	\$ 14,096	\$ 30,070
Due to other funds	-	-	-	48,319
Retainage Payable	-	-	-	-
Total liabilities	21,249	38,476	14,096	78,389
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	429,458	674,767	211,411	(74,586)
Subsequent year's capital expenditures	-	-	-	-
Total fund balances	429,458	674,767	211,411	(74,586)
Total liabilities, deferred inflows of resources, and fund balances	\$ 450,707	\$ 713,243	\$ 225,507	\$ 3,803

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
\$ 954,923	\$ 91,510	\$ 1,274,325	\$ 868,218	\$ 4,518,356
9,345,000	1,245,499	-	3,160,862	13,751,361
-	-	-	-	48,319
5,284	1,122	-	5,837	27,804
\$ 10,305,207	\$ 1,338,131	\$ 1,274,325	\$ 4,034,917	\$ 18,345,840
\$ 1,263	\$ 247	\$ 1,028	\$ 32,341	\$ 138,770
-	-	-	-	48,319
-	-	-	12,819	12,819
1,263	247	1,028	45,160	199,908
9,345,000	1,245,499	-	3,160,862	13,751,361
9,345,000	1,245,499	-	3,160,862	13,751,361
958,944	92,385	-	315,965	1,367,294
-	-	2,532	-	2,532
-	-	1,270,765	-	1,270,765
-	-	-	161,059	1,402,109
-	-	-	351,871	351,871
958,944	92,385	1,273,297	828,895	4,394,571
\$ 10,305,207	\$ 1,338,131	\$ 1,274,325	\$ 4,034,917	\$ 18,345,840

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, 2021

Total governmental fund balances \$ 4,394,571

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	\$ 20,903,403	
Less accumulated depreciation	<u>(5,525,548)</u>	15,377,855

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. 1,133,691

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. 13,751,361

Some liabilities, including debt obligations, 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:

Bond, notes & capital lease payable	(13,751,361)	
Accrued interest on long-term debt	<u>(143,735)</u>	(13,895,096)

Total net position - governmental activities \$ 20,762,382

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, 2021*

	Special Revenue Funds			
	Water Control Eastside	Water Control Westside	Road Maintenance - PBCE	Road Maintenance - Jupiter Farms
Revenues:				
Assessments	\$ 529,406	\$ 1,620,179	\$ 151,460	\$ 740,321
Charges for services	11,734	37,035	11,734	37,035
Investment income	979	2,746	339	808
Miscellaneous	-	-	-	-
Total revenues	542,119	1,659,960	163,533	778,164
Expenditures:				
Current:				
Physical environment	451,151	1,308,343	-	-
Transportation	-	-	308,411	920,917
Recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Other debt service	-	-	-	-
Total expenditures	451,151	1,308,343	308,411	920,917
Excess (deficiency) of revenues over (under) expenditures	90,968	351,617	(144,878)	(142,753)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	(175,100)	-	-
Total other financing sources (uses)	-	(175,100)	-	-
Net change in fund balance	90,968	176,517	(144,878)	(142,753)
Fund balances, beginning of year	338,490	498,250	356,289	68,167
Fund balances, end of year	\$ 429,458	\$ 674,767	\$ 211,411	\$ (74,586)

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
\$ 1,025,102	\$ 217,287	\$ -	\$ 1,124,866	\$ 5,408,621
-	-	-	-	97,538
1,924	395	823	1,882	9,896
10,667	-	-	-	10,667
1,037,693	217,682	823	1,126,748	5,526,722
-	-	-	17,502	1,776,996
-	-	-	-	1,229,328
-	-	-	13,563	13,563
771	-	96,341	277,911	375,023
805,000	179,533	-	609,260	1,593,793
279,125	59,241	-	154,045	492,411
12,023	1,900	-	88,504	102,427
1,096,919	240,674	96,341	1,160,785	5,583,541
(59,226)	(22,992)	(95,518)	(34,037)	(56,819)
-	-	236,100	324,000	560,100
-	-	(185,000)	-	(360,100)
-	-	51,100	324,000	200,000
(59,226)	(22,992)	(44,418)	289,963	143,181
1,018,170	115,377	1,317,715	538,932	4,251,390
\$ 958,944	\$ 92,385	\$ 1,273,297	\$ 828,895	\$ 4,394,571

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, 2021*

Net change in fund balances - total governmental funds \$ 143,181

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. (109,275)

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. (185,178)

The issuance of long-term debt obligations 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 principal payments	\$ 1,593,793	
Net change in accrued interest	17,365	
Total debt adjustments		1,611,158

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. (1,593,793)

Change in net position of governmental activities \$ (133,907)

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, 2021

Assets:

Current assets:

Cash and short-term investments	\$	450,943
Accounts receivable		27,750
Due from other governments		-
Prepaid expenses		56,424
Total current assets		535,117

Noncurrent assets:

Equipment		2,244,009
Accumulated depreciation		(1,361,759)
Total noncurrent assets		882,250

Total assets **\$ 1,417,367**

Liabilities:

Current liabilities:

Accounts payable and accrued expenses	\$	67,391
Capital leases payable		50,672
Total current liabilities		118,063

Noncurrent liabilities:

Accrued compensated absences		59,995
Capital leases payable		105,618
Total liabilities		283,676

Net Position

Investment in capital assets		882,250
Net position - unrestricted		251,441
Total net position		1,133,691
Total liabilities and net position	\$	1,417,367

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, 2021

Operating revenues:

Charges for services	\$	2,068,380
Other		14,752

Total operating revenues **2,083,132**

Operating expenses:

Personal services	1,112,509
Materials, supplies, services and other operating expenses	677,914
Depreciation	172,996

Total operating expenses **1,963,419**

Operating income 119,713

Nonoperating revenues (expenses):

Investment income	347
Rental income	32,534
Transfers out	(200,000)

Total nonoperating expenses **(167,119)**

Change in net position (47,406)

Net position, beginning of year 1,181,097

Net position, end of year **\$ 1,133,691**

See accompanying notes to financial statements.

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Statement of Cash Flows

Internal Service Fund

Year Ended September 30, 2021

Cash flows from operating activities:

Cash receipts from quasi-external operating transactions	\$ 2,049,880
Cash payments to suppliers for goods and services	(714,246)
Cash payments to employees for services	(1,106,647)
Other operating revenues	14,752

Net cash provided by operating activities	243,739
--	----------------

Cash flows from capital and related financing activities:

Purchase of fixed assets	(271,015)
Proceeds from capital lease	156,290

Net cash used by capital and related financing activities	(114,725)
--	------------------

Cash flows from noncapital financing activities

Interest income	347
Rental income	32,534
Transfers to other funds-net	(200,000)

Net cash used by noncapital financing activities	(167,119)
---	------------------

Net increase in cash and cash equivalents	(38,105)
---	----------

Cash and cash equivalents, beginning of year	489,048
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Cash and cash equivalents, end of year	450,943
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Reconciliation of operating income to net cash provided by operating activities:

Operating income	119,713
------------------	----------------

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

Depreciation expense	172,996
Decrease in:	
Accounts receivable	(18,500)
Prepaid expenses	(39,201)
Increase in:	
Amounts due from other governments	-
Accounts payable and accrued expenses	2,869
Accrued compensated absences	5,862

Total adjustments	124,026
--------------------------	----------------

Net cash provided by operating activities	\$ 243,739
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See accompanying notes to financial statements.

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, 2021

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. The fund balance deficit in the Road Maintenance- Jupiter Farms special revenue fund in the amount of \$74,586 will be covered by future assessments.

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, 2021, the carrying amount of cash on hand and on deposit with banks, including interest-bearing accounts, was \$132,344. 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, 2021 the District's investments were held as follows:

	Amortized Cost	Credit Risk	Maturity
Money Market Funds	\$ 2,046,564	S&P: A-2	Less than 7 days
Certificates of Deposit	2,681,325	S&P: A-2	87
Total	\$ 4,727,889		

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

The composition of interfund balances at September 30, 2021 is as follows:

Receivable Fund	Payable Fund	Amount
Water Control Westside	Road Maintenance-Jupiter Farms	48,319
Totals		48,319

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 Capital Projects and the Road Improvement Renewal and Replacement funds.

During the year ended September 30, 2021, the District had the following transfers between funds:

	Transfers In	Transfers Out
Major fund:		
Road Improvement Funds	\$ 236,100	\$ 185,000
Water Control Westside	-	175,100
Nonmajor fund:		
Jupiter Farms Capital Projects	139,000	-
PBCE Water Control Projects	185,000	-
Proprietary Fund	-	200,000
Totals	\$ 560,100	\$ 560,100

NOTE 4. CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended September 30, 2021, 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	302,245	129,690	-	431,935
Total Capital Assets Not Being Depreciated	7,525,827	129,690	-	7,655,517
Capital Assets Being Depreciated:				
Buildings	188,153	-	-	188,153
Improvements & Infrastructure:	12,876,269	183,464	-	13,059,733
Machinery And Equipment	1,984,476	271,016	(11,483)	2,244,009
Total Capital Assets Being Depreciated	15,048,898	454,480	(11,483)	15,491,895
Accumulated Depreciation:				
Buildings	174,045	4,704	-	178,749
Improvements & Infrastructure:	4,791,301	555,498	-	5,346,799
Equipment	1,200,245	172,997	(11,483)	1,361,759
Total Accumulated Depreciation	6,165,591	733,199	(11,483)	6,887,307
Net Capital Assets Being Depreciated	8,883,307	(278,719)	-	8,604,588
Total Capital Assets, Net	\$ 16,409,134	\$ (149,029)	\$ -	\$ 16,260,105

Depreciation was charged to functions as follows:

Water Control	\$ 94,653
Road Maintenance	617,859
Park Maintenance	20,686
Total depreciation expense	\$ 733,198

NOTE 5. LONG-TERM OBLIGATION

Changes in long-term obligations for the year ended September 30, 2021, are summarized below:

	Beginning Balance		Additions		Reductions		Ending Balance
Special Assessment Bonds	\$ 10,150,000	\$	-	\$	805,000	\$	9,345,000
Special Assessment Notes	5,195,154		-		788,793		4,406,361
Long-term liabilities	\$ 15,345,154	\$	-	\$	1,593,793	\$	13,751,361

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. \$ 9,345,000

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. \$ 1,245,499

\$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. 582,442

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. 752,990

\$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 260,730

\$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 809,820

\$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 754,880

Total Long-Term Notes	\$ 4,406,361
Total Long-Term Obligations	\$ 13,751,361

Reported in the statement of net assets as:

Total long-term obligations	\$ 13,751,361
Less current portion	(1,645,082)
Noncurrent portion	\$ 12,106,279

NOTE 5. LONG-TERM OBLIGATION (Continued)

Changes in long-term obligations for the year ended September 30, 2021, are summarized below:

	2015 PBCE Water Distribution System Bonds	2007 OGEM Road Resurfacing Notes	2009 PBCE Hookup Financing Program
Long-term obligations October 1, 2020	\$ 10,150,000	\$ 1,425,032	\$ 763,442
Bonds/notes issued	-	-	-
Bonds/notes retired	(805,000)	(179,533)	(181,000)
Long-term obligations, September 30, 2021	\$ 9,345,000	\$ 1,245,499	\$ 582,442

Debt service requirements to maturity are as follows:

	2015 PBCE Water Distribution System Bonds	2007 OGEM Road Resurfacing Notes	2009 PBCE Hookup Financing Program
2022	\$ 1,081,987	\$ 238,815	\$ 211,621
2023	1,079,300	238,814	211,997
2024	1,081,063	238,815	206,313
2025	1,082,138	238,815	-
2026	1,082,525	238,814	-
2027-2031	5,409,237	238,934	-
Totals	10,816,250	1,433,007	629,931
Less amount representing interest	1,471,250	187,508	47,489
Totals	\$ 9,345,000	\$ 1,245,499	\$ 582,442

NOTE 5. LONG-TERM OBLIGATION (Continued)

Changes in long-term obligations for the year ended September 30, 2021, are summarized below:

	2011 Road Improvement	2013 Road Improvement	2016 Road Improvement
Long-term obligations October 1, 2020	\$ 886,380	\$ 320,130	\$ 956,810
Bonds/notes issued	-	-	-
Bonds/notes retired	(133,390)	(59,400)	(146,990)
Long-term obligations, September 30, 2021	\$ 752,990	\$ 260,730	\$ 809,820

Debt service requirements to maturity are as follows:

Year ending September 30,	2011 Road Improvement	2013 Road Improvement	2016 Road Improvement
2022	\$ 169,467	\$ 72,204	\$ 178,455
2023	169,467	72,015	178,384
2024	169,467	71,827	178,365
2025	169,468	71,620	178,249
2026	169,508	-	178,174
2027-2031	-	-	-
Totals	847,377	287,666	891,627
Less amount representing interest	94,387	26,936	81,807
Totals	\$ 752,990	\$ 260,730	\$ 809,820

NOTE 5. LONG-TERM OBLIGATION (Continued)

2018 Road Improvement	Total Notes and Bonds Payable	Amount Representing Principal
\$ 843,360	\$ 15,345,154	\$ 15,345,154
-	-	-
(88,480)	(1,593,793)	(1,593,793)
\$ 754,880	\$ 13,751,361	\$ 13,751,361

2018 Road Improvement	Total Notes and Bonds Payable	Amount Representing Interest	Amount Representing Principal
\$ 130,746	\$ 2,083,295	\$ 438,213	\$ 1,645,082
130,675	2,080,652	382,311	1,698,341
130,682	2,076,532	324,456	1,752,076
130,532	1,870,822	264,808	1,606,014
130,465	1,799,486	211,351	1,588,135
260,726	5,908,897	447,184	5,461,713
913,826	15,819,684	2,068,323	13,751,361
158,946	2,068,323	(2,068,323)	-
\$ 754,880	\$ 13,751,361	-	\$ 13,751,361

NOTE 5. LONG-TERM OBLIGATION (Continued)

Capital Leases

In January 2021, the District entered into a lease to purchase equipment. The lease agreement qualified as capital leases for accounting purposes and, therefore, have been recorded at present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	Internal Service Fund
Asset:	
Machinery and Equipment	\$ 205,181
Less: Accumulated depreciation	(10,259)
Total	\$ 194,922

The future minimum lease payments as of September 30, 2021 are as follows:

Year ending September 30,	Internal Service Fund
2022	\$ 55,025
2023	55,025
2024	55,024
Total minimum lease payments	165,074
Less: amount representing interest	(8,784)
Present value of minimum lease payments	\$ 156,290

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, 2021, there were 19 plan members. The District's total payroll for all employees was \$869,323 and those covered by the plan was \$754,143. 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

Intergovernmental Arrangements

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). Under this agreement the District financed and constructed the water service system and turned it over to the Town for operation and maintenance.

Also as part of the agreement as modified in an extension the Town initiated a program for landowners to facilitate the financing of hookups similar to the Hookup Financing program. 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.

Florida Department of Environmental Protection Grant

For the ensuing year the District will be making drainage improvements to the section 7 area of Jupiter Farms. Related to this project the District was awarded a grant from the Florida Department of Environmental Protection to assist in this project. The amount of the grant is \$353,650

**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, 2021

	Budget Original	Budget Final	Actual Amounts	Variance From Final Budget Positive/ Negative
Revenues:				
Assessments	\$ 518,400	\$ 518,400	\$ 529,406	\$ 11,006
Charges for services	11,250	11,250	11,734	484
Investment income	-	-	979	979
Total revenues	529,650	529,650	542,119	12,469
Expenditures:				
Current:				
Physical environment	455,637	455,637	451,151	4,486
Total expenditures	455,637	455,637	451,151	4,486
Excess (deficiency) of revenues over (under) expenditures	74,013	74,013	90,968	16,955
Fund balances, beginning of year	338,490	338,490	338,490	-
Fund balances, end of year	\$ 412,503	\$ 412,503	\$ 429,458	\$ 16,955

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, 2021

	Budget Original	Budget Final	Actual Amounts	Variance From Final Budget Positive/ Negative
Revenues:				
Assessments	\$ 1,588,800	\$ 1,588,800	\$ 1,620,179	\$ 31,379
Charges for services	33,750	33,750	37,035	3,285
Investment income	80	200	2,746	2,546
Miscellaneous	-	-	-	-
Total revenues	1,622,630	1,622,750	1,659,960	37,210
Expenditures:				
Current:				
Physical environment	1,347,263	1,347,263	1,308,343	38,920
Total expenditures	1,347,263	1,347,263	1,308,343	38,920
Excess (deficiency) of revenues over (under) expenditures	275,367	275,487	351,617	76,130
Other financing uses:				
Transfers out	(36,100)	(175,100)	(175,100)	-
Total other financing uses	(36,100)	(175,100)	(175,100)	-
Net change in fund balance	239,267	100,387	176,517	76,130
Fund balances, beginning of year	498,250	498,250	498,250	-
Fund balances, end of year	\$ 737,517	\$ 598,637	\$ 674,767	\$ 76,130

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, 2021

	Budget Original	Budget Final	Actual Amounts	Variance From Final Budget Positive/ Negative
Revenues:				
Assessments	\$ 148,800	\$ 148,800	\$ 151,460	\$ 2,660
Charges for services	11,250	11,250	11,734	484
Investment income	80	80	339	259
Total revenues	160,130	160,130	163,533	3,403
Expenditures:				
Current:				
Transportation	291,086	291,086	308,411	(17,325)
Total expenditures	291,086	291,086	308,411	(17,325)
Excess (deficiency) of revenues over (under) expenditures	(130,956)	(130,956)	(144,878)	(13,922)
Fund balances, beginning of year	356,289	356,289	356,289	-
Fund balances, end of year	\$ 225,333	\$ 225,333	\$ 211,411	\$ (13,922)

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, 2021

	Budget Original	Budget Final	Actual Amounts	Variance From Final Budget Positive/ Negative
Revenues:				
Assessments	\$ 729,600	\$ 729,600	\$ 740,321	\$ 10,721
Charges for services	33,750	33,750	37,035	3,285
Investment income	220	220	808	588
Total revenues	763,570	763,570	778,164	14,594
Expenditures:				
Current:				
Transportation	745,254	745,254	920,917	(175,663)
Total expenditures	745,254	745,254	920,917	(175,663)
Excess (deficiency) of revenues over (under) expenditures	18,316	18,316	(142,753)	(161,069)
Fund balances, beginning of year	68,167	68,167	68,167	-
Fund balances, end of year	\$ 86,483	\$ 86,483	\$ (74,586)	\$ (161,069)

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, 2021

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total
Assets:				
Cash and short-term investments	\$ 179,696	\$ 312,491	\$ 376,031	\$ 868,218
Receivables:				
Special assessments	-	3,160,862	-	3,160,862
Accounts receivable	116	4,428	1,293	5,837
Total assets	\$ 179,812	\$ 3,477,781	\$ 377,324	\$ 4,034,917
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued expenses	\$ 18,753	\$ 954	\$ 12,634	\$ 32,341
Retainage Payable	-	-	12,819	12,819
Total liabilities	18,753	954	25,453	45,160
Deferred inflows of resources:				
Unavailable revenue-special assessments	-	3,160,862	-	3,160,862
Total deferred inflows of resources	-	3,160,862	-	3,160,862
Fund balances:				
Restricted for:				
Debt service	-	315,965	-	315,965
Assigned for:				
Subsequent years operations	161,059	-	-	161,059
Subsequent year's capital expenditures			351,871	351,871
Total fund balances	161,059	315,965	351,871	828,895
Total liabilities, deferred inflows of resources, and fund balances	\$ 179,812	\$ 3,477,781	\$ 377,324	\$ 4,034,917

See accompanying notes to financial statements.

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 September 30, 2021

	PBCE Park Maintenance	Egret Landing Maintenance	Jupiter Commerce Park Maintenance
Assets:			
Cash and short-term investments	\$ 91,081	\$ 36,404	\$ 52,211
Receivables:			
Accounts receivable	116	-	-
Total assets	\$ 91,197	\$ 36,404	\$ 52,211
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued expenses	\$ 52	\$ 18,701	\$ -
Total liabilities	52	18,701	-
Fund balances:			
Assigned for:			
Subsequent years operations	91,145	17,703	52,211
Total fund balances	91,145	17,703	52,211
Total liabilities, deferred inflows of resources, and fund balances	\$ 91,197	\$ 36,404	\$ 52,211

See accompanying notes to financial statements.

**Total
Nonmajor
Special
Revenue
Funds**

\$ 179,696

116

\$ 179,812

\$ 18,753

18,753

161,059

161,059

\$ 179,812

See accompanying notes to financial statements.

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Combining Balance Sheet
 Nonmajor Debt Service Funds
 September 30, 2021

	2009 PBCE Hookup Financing Note	2011 Road Improvement Note	2013 Road Improvement Note
Assets:			
Cash and short-term investments	\$ 147,354	\$ 76,926	\$ 33,215
Receivables:			
Special assessments	582,442	752,990	260,730
Accounts receivable	1,511	845	409
Total assets	\$ 731,307	\$ 830,761	\$ 294,354
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued expenses	\$ 324	\$ 188	\$ 86
Total liabilities	324	188	86
Deferred inflows of resources:			
Unavailable revenue-special assessments	582,442	752,990	260,730
Total deferred inflows of resources	582,442	752,990	260,730
Fund balances:			
Restricted for:			
Debt service	148,541	77,583	33,538
Total fund balances	148,541	77,583	33,538
Total liabilities, deferred inflows of resources, and fund balances	\$ 731,307	\$ 830,761	\$ 294,354

See accompanying notes to financial statements.

2016 Road Improvement Note	2018 Road Improvement Note	Total Nonmajor Debt Service Funds
\$ 41,669	\$ 13,327	\$ 312,491
809,820	754,880	3,160,862
930	733	4,428
\$ 852,419	\$ 768,940	\$ 3,477,781
\$ 203	\$ 153	\$ 954
203	153	954
809,820	754,880	3,160,862
809,820	754,880	3,160,862
42,396	13,907	315,965
42,396	13,907	315,965
\$ 852,419	\$ 768,940	\$ 3,477,781

See accompanying notes to financial statements.

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Combining Balance Sheet

Nonmajor Capital Projects Funds

September 30, 2021

	Jupiter Farms Capital Projects	PBCE Water Control Projects	Total Nonmajor Capital Projects Funds
Assets:			
Cash and short-term investments	\$ 95,850	\$ 280,181	\$ 376,031
Accounts receivable	729	564	1,293
Total assets	\$ 96,579	\$ 280,745	\$ 377,324
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued expenses	\$ 11,394	\$ 1,240	\$ 12,634
Retainage Payable	12,819	-	12,819
Total liabilities	24,213	1,240	25,453
Fund balances:			
Assigned for:			-
Subsequent year's capital expenditures	72,366	279,505	351,871
Total fund balances	72,366	279,505	351,871
Total liabilities, deferred inflows of resources, and fund balances	\$ 96,579	\$ 280,745	\$ 377,324

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, 2021

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total
Revenues:				
Assessments	\$ 22,356	\$ 850,157	\$ 252,353	\$ 1,124,866
Investment income	149	1,263	470	1,882
Total revenues	22,505	851,420	252,823	1,126,748
Expenditures:				
Current:				
Physical environment	9,413	-	8,089	17,502
Recreation	13,563	-	-	13,563
Capital outlay	-	-	277,911	277,911
Debt service:				
Principal retirement	-	609,260	-	609,260
Interest and fiscal charges	-	154,045	-	154,045
Other debt service	-	88,504	-	88,504
Total expenditures	22,976	851,809	286,000	1,160,785
Excess (deficiency) of revenues over (under) expenditures	(471)	(389)	(33,177)	(34,037)
Other financing sources (uses):				
Transfers in	-	-	324,000	324,000
Total other financing sources (uses)	-	-	324,000	324,000
Net change in fund balance	(471)	(389)	290,823	289,963
Fund balances, beginning of year	161,530	316,354	61,048	538,932
Fund balances, end of year	\$ 161,059	\$ 315,965	\$ 351,871	\$ 828,895

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, 2021

	PBCE Park Maintenance	Egret Landing Maintenance	Jupiter Commerce Park Maintenance
Revenues:			
Assessments	\$ 22,356	\$ -	\$ -
Investment income	84	25	40
Total revenue	22,440	25	40
Expenditures:			
Current:			
Physical environment	-	-	9,413
Recreation	13,563	-	-
Total expenditures	13,563	-	9,413
Excess (deficiency) of revenues over (under) expenditures	8,877	25	(9,373)
Fund balances, beginning of year	82,268	17,678	61,584
Fund balances, end of year	\$ 91,145	\$ 17,703	\$ 52,211

See accompanying notes to financial statements.

**Total
Nonmajor
Special
Revenue
Funds**

\$ 22,356
149

22,505

9,413
13,563

22,976

(471)

161,530

\$ 161,059

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, 2021

	2009 PBCE Hookup Financing Note	2011 Road Improvement Note	2013 Road Improvement Note
Revenues:			
Assessments	\$ 289,847	\$ 166,189	\$ 76,147
Investment income	474	295	53
Total revenues	290,321	166,484	76,200
Expenditures:			
Debt service:			
Principal retirement	181,000	133,390	59,400
Interest and fiscal charges	32,218	36,047	11,999
Other debt service	83,604	1,457	669
Total expenditures	296,822	170,894	72,068
Excess (deficiency) of revenues over (under) expenditures	(6,501)	(4,410)	4,132
Fund balances, beginning of year	155,042	81,993	29,406
Fund balances, end of year	\$ 148,541	\$ 77,583	\$ 33,538

See accompanying notes to financial statements.

2016 Road Improvement Note	2018 Road Improvement Note	Total Nonmajor Debt Service Funds
\$ 181,563	\$ 136,411	\$ 850,157
323	118	1,263
181,886	136,529	851,420
146,990	88,480	609,260
31,490	42,291	154,045
1,585	1,189	88,504
180,065	131,960	851,809
1,821	4,569	(389)
40,575	9,338	316,354
\$ 42,396	\$ 13,907	\$ 315,965

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, 2021*

	Jupiter Farms Capital Projects	PBCE Water Control Projects	Total Nonmajor Capital Projects
Revenues:			
Assessments	\$ 143,666	\$ 108,687	\$ 252,353
Investment income	225	245	470
Total revenues	143,891	108,932	252,823
Expenditures:			
Current:			
Physical environment	7,586	503	8,089
Capital outlay	263,987	13,924	277,911
Total expenditures	271,573	14,427	286,000
Excess (deficiency) of revenues over (under) expenditures	(127,682)	94,505	(33,177)
Other financing sources (uses):			
Transfers in	139,000	185,000	324,000
Total other financing sources (uses)	139,000	185,000	324,000
Net change in fund balance	11,318	279,505	290,823
Fund balances, beginning of year	61,048	-	61,048
Fund balances, end of year	\$ 72,366	\$ 279,505	\$ 351,871

See accompanying notes to financial statements.

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SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Other Information – Data Elements Required By Fl Statute 218.39(3)

Year Ended September 30, 2021

Unaudited

Number of district employees compensated at 9/30/2021	17
Number of independent contractors compensated in September 2021	4
Employee compensation (paid/accrued) for FYE 9/30/2021	\$841,456
Independent contractor compensation for FYE 9/30/2021	\$877,373
Construction projects to begin on or after October 1; (\$65K)	
Jupiter Farms LRPI	\$353,650
Budget variance report	See pages 39 to 42
Ad Valorem taxes;	Not applicable
Non ad valorem special assessments;	
Special assessment rates FYE 9/30/2021	Operations and maintenance - \$15 to \$619 Debt service - \$290 to \$3,510
Special assessments collected FYE 9/30/2021	\$5,595,366
Outstanding Bonds/Notes	See Note 2 for details

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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, 2021, 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 10, 2022.

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*.

We noted another matter involving the internal control over financial reporting and compliance that we have reported to management of the District in a separate letter dated May 10, 2022.

The District's response to the finding identified in our audit is described in the accompanying Management Letter. We did not audit the District's response and, accordingly, we express no opinion on it.

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.



May 10, 2022



**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, 2021. 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, 2021.

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 10, 2022



**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, 2021, and have issued our report thereon dated May 10, 2022.

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 10, 2022, 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 10, 2022

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

2021-01 Budget:

Observation: Actual expenditures exceeded appropriations for expenditures in the PBCE and Jupiter Farms Road Maintenance Special Revenue Funds for the fiscal year ended September 30, 2021.

Recommendation: The District should amend the budget during the fiscal year or within statutory guidelines to ensure that all expenditures are properly budgeted.

Management Response: The District agrees with the auditor's findings and will ensure that future budgets are amended prior to the statutory deadline in future fiscal years.

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, 2020.

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, 2021, except as noted above.

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, 2021, except as noted above.

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.

7. Management has provided the specific information required by Section 218.39(3)(c) in the Other Information section of the financial statements on page 55.