

BARRON WATER CONTROL DISTRICT
BASIC FINANCIAL STATEMENTS
TOGETHER WITH REPORTS OF
INDEPENDENT AUDITOR
YEAR ENDED
September 30, 2020

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Florida Institute of Certified Public Accountants

American Institute of Certified Public Accountants

Private Companies Practice Section

Tax Division

INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
Barron Water Control District
P.O. Box 1606
LaBelle, Florida 33975-1606

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Barron Water Control District (the "District") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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 an opinion on these financial statements based on our audit. We did not audit the financial statements of Florida Retirement Systems Pension Plan (FRS) or Health Insurance Subsidy Pension Plan (HIS) as of and for the year ended June 30, 2020. The District is required to record its proportionate share of the FRS and HIS liability in the District's government-wide financial statements as of September 30, 2020 and for the year then ended. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Barron Water Control District's government-wide financial statements, is based on the report of the other auditors. 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 of America. 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 District'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 District'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 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 opinion.

INTEGRITY SERVICE EXPERIENCE

12621 World Plaza Lane, Building 55 • Fort Myers, FL 33907 • Phone: (239) 333-2090 • Fax: (239) 333-2097

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
General Fund	Unmodified
Special Revenue Fund	Unmodified

Opinions

Unmodified Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Barron Water Control District as of September 30, 2020, and the respective changes in financial position, for the 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 on pages i - vii, Schedule of the District's Proportionate Share of the Net Pension Liability - Florida Retirement System Pension Plan (FRS), Schedule of District Contributions - Florida Retirement System Pension Plan (FRS), Schedule of the District's Proportionate Share of the Net Pension Liability - Health Insurance Subsidy Pension Plan (HIS), Schedule of District Contributions - Health Insurance Subsidy Pension Plan (HIS), Notes to the Required Supplementary Information, and Schedule of Changes in the Total OPEB Liability and Related Ratios GASB No. 75 as Notes to the Schedule as listed in the table of contents, 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 which 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 - management's discussion and analysis (MD&A), Schedule of the District's Proportionate Share of the Net Pension Liability - Florida Retirement System Pension Plan (FRS), Schedule of District Contributions - Florida Retirement System Pension Plan (FRS), Schedule of the District's Proportionate Share of the Net Pension Liability - Health Insurance Subsidy Pension Plan (HIS), Schedule of District Contributions - Health Insurance Subsidy Pension Plan (HIS), Notes to the Required Supplementary Information and Schedule of Changes in the Total OPEB Liability and Related Ratios GASB No. 75 and Notes to the Schedule, as listed in the table of contents, 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 required supplementary information - management's discussion and analysis (MD&A), Schedule of the District's Proportionate Share of the Net Pension Liability - Florida Retirement System Pension Plan (FRS), Schedule of District Contributions - Florida Retirement System Pension Plan (FRS), Schedule of the District's Proportionate Share of the Net Pension Liability - Health Insurance Subsidy Pension Plan (HIS), Schedule of District Contributions - Health Insurance Subsidy Pension Plan (HIS), Notes to the Required Supplementary Information and Changes in the Total OPEB Liability and Related Ratios GASB No. 75 and Notes to the Schedule, as listed in the table of contents, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Required Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Barron Water Control District's basic financial statements. The required supplementary information other than MD&A - budgetary comparison information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The required supplementary information other than MD&A - budgetary comparison information is the responsibility of management and was derived from and relates 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 required supplementary information other than MD&A - budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The Exhibit - Management's Response to Independent Auditor's Report to Management is not a required part of the basic financial statements but is required by Government Auditing Standards. Such information 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 Section 218.415, Florida Statutes

In accordance with Section 218.415, Florida Statutes, we have also issued a report dated January 18, 2021, on our consideration of Barron Water Control District's compliance with provisions of Section 218.415, Florida Statutes. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and to provide an opinion on compliance with the aforementioned Statute. That report is an integral part of an audit performed in accordance with Sections 218.39 and 218.415, Florida Statutes in considering Barron Water Control District's compliance with Section 218.415, Florida Statutes.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 18, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contract and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Barron Water Control District's internal control over financial reporting and compliance.



TUSCAN & COMPANY, P.A.
Fort Myers, Florida
January 18, 2021

**MANAGEMENT'S DISCUSSION
AND ANALYSIS
(MD&A)**

BARRON WATER CONTROL DISTRICT

Management's Discussion and Analysis

For the year ending September 30, 2020

Management's Discussion and Analysis

This discussion and analysis of the Barron Water Control District (the "District") financial statements is intended to give an overview of the District's financial activities for the fiscal year ended September 30, 2020. The basic financial statements are comprised of the government-wide financial statements, governmental fund financial statements, and footnotes. It is our intent to assist the reader in identifying and understanding significant changes in the District's financial position.

Financial Highlights

- At the close of fiscal year 2020, the District's assets exceeded its liabilities, resulting in net position of \$1,986,393.
- The District had \$924,569 of unrestricted net position that can be used to meet the District's ongoing obligations at September 30, 2020.
- For the year ended September 30, 2020, the District's net position balance decreased by \$21,224.
- At the close of fiscal year 2019, the District's assets exceeded its liabilities, resulting in net position of \$2,007,617.
- The District had \$928,229 of unrestricted net position that can be used to meet the District's ongoing obligations at September 30, 2019.
- For the year ended September 30, 2019, the District's net position balance increased by \$92,298.
- Operationally, on a fund basis, the District's revenues exceeded expenditures by \$78,809 for the year ended September 30, 2020.
- Total governmental revenues increased \$30,376 or 3 percent for the year ended September 30, 2020 in comparison to the prior year.
- Total governmental expenses decreased \$143,898 or 15 percent for the year ended September 30, 2020 in comparison to the prior year.

- The net book value of the District’s capital assets decreased by \$17,564 or 2 percent during the year ended September 30, 2020.
- As a result of GASB Statement #68, the District is required to annually record its proportionate share of the actuarially determined FRS’s net pension liability. The District recorded a net pension liability of \$530,942 and \$221,366 at September 30, 2020 and 2019, respectively.
- Effective September 30, 2018, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 75 “*Accounting and Financial Reporting of Post Employment Benefits Other Than Pensions (OPEB)*” (Statement No. 75). This accounting standard requires the District to report its actuarially determined net OPEB liability of \$23,730 and \$15,757 in the government-wide financial statements of the District as of September 30, 2020 and 2019, respectively. It also required the beginning net asset balance to be restated for the year ended September 30, 2018.

Government-wide Financial Statements

Government-wide financial statements (Statement of Net Position and Statement of Activities found on pages 4 and 5) are intended to allow a reader to assess a government’s operational accountability. Operational accountability is defined as the extent to which the government has met its operating objectives efficiently and effectively, using all resources available for that purpose, and whether it can continue to meet its objectives for the foreseeable future. Government-wide financial statements concentrate on the District as a whole and do not emphasize fund types.

The Statement of Net Position (Page 4) presents information on all of the District’s assets and liabilities, with the difference between the two reported as net position. The District’s capital assets (property, buildings and equipment) are included in this Statement and are reported net of their accumulated depreciation.

The Statement of Activities (Page 5) presents revenue and expense information showing how the District’s net position changed during the fiscal year. Both Statements are measured and reported using the economic resource measurement focus (revenues and expenses) and the accrual basis of accounting (revenue recognized when earned and expense recognized when a liability is incurred).

Governmental Fund Financial Statements

The accounts of the District are organized on the basis of governmental funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Governmental fund financial statements (found on pages 6 and 8) are prepared on the modified accrual basis using the current financial resources measurement focus. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available as net current assets.

Notes to the Financial Statements

The notes to the financial statements explain in detail some of the data contained in the preceding statements and begin on page 10. These notes are essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

The government-wide financial statements were designed so that the user could determine if the District is in a better or worse financial condition from the prior year.

The following is a condensed summary comparison of net position for the primary government for fiscal year 2020, 2019 and 2018:

	2020	2019	2018
	<u>Amounts</u>	<u>Amounts</u>	<u>Amounts</u>
Assets:			
Current and other assets	\$ 1,495,021	\$ 1,390,483	\$ 1,222,379
Capital assets, net	<u>1,061,824</u>	<u>1,079,388</u>	<u>1,128,327</u>
Total Assets	<u>2,556,845</u>	<u>2,469,871</u>	<u>2,350,706</u>
Deferred outflows of resources	<u>317,288</u>	<u>110,249</u>	<u>156,822</u>
 Liabilities:			
Current liabilities	215,002	189,273	176,903
Non-current liabilities	<u>581,195</u>	<u>253,372</u>	<u>289,285</u>
Total Liabilities	<u>796,197</u>	<u>442,645</u>	<u>466,188</u>
Deferred inflows of resources	<u>91,543</u>	<u>129,858</u>	<u>126,021</u>
 Net Position:			
Net investment in capital assets	1,061,824	1,079,388	1,128,327
Restricted	-	-	-
Unrestricted	<u>924,569</u>	<u>928,229</u>	<u>786,992</u>
Total Net Position	<u>\$ 1,986,393</u>	<u>\$ 2,007,617</u>	<u>\$ 1,915,319</u>

At September 30, 2019, current and other assets represent 56 percent of total assets. Current assets are comprised of unrestricted cash balances of \$732,632, restricted cash of \$139,839, investments (CD) of \$507,999, receivables of \$3,267, due from other governments of \$6,141, and deposits and other assets of \$605. The balances of unrestricted cash represent amounts that are available for spending at the District's discretion. Restricted cash balances are for the Interlocal Agreement Fund.

At September 30, 2019, the capital assets of \$2,043,229 are comprised of land, buildings, improvements, equipment, furniture, and vehicles, and are shown net of accumulated depreciation of \$963,841.

The unrestricted net position balance at September 30, 2019 of \$928,229 represents an increase of \$141,237 or a 18 percent increase from the prior fiscal year. The District's Board budgeted for an increase in unrestricted net assets.

In regard to the General Fund operations of the District, the District is divided into four sub-districts, with maintenance tax levies for each unit based on benefits to that unit. For fiscal year 2019 the maintenance tax levies were \$71.33 per acre Urban, \$35.66 per acre Urban Grove, \$26.78 per acre Irrigated Agriculture, and \$5.44 per acre Drainage Agriculture

At September 30, 2020, current and other assets represent 58 percent of total assets. Current assets are comprised of unrestricted cash balances of \$782,010, restricted cash of \$134,638, investments (CD) of \$517,800, receivables of \$2,391, due from other governments of \$57,577, and deposits and other assets of \$605. The balances of unrestricted cash represent amounts that are available for spending at the District's discretion. Restricted cash balances are for the Interlocal Agreement Fund.

At September 30, 2020, the capital assets of \$2,034,959 are comprised of land, buildings, improvements, equipment, furniture, and vehicles, and are shown net of accumulated depreciation of \$973,135.

The unrestricted net position balance at September 30, 2020 of \$924,569 represents a decrease of \$3,660 or a less than 1 percent decrease from the prior fiscal year. The District's Board budgeted for an increase in unrestricted net assets.

In regard to the General Fund operations of the District, the District is divided into four sub-districts, with maintenance tax levies for each unit based on benefits to that unit. For fiscal year 2020 the maintenance tax levies were \$67.18 per acre Urban, \$33.59 per acre Urban Grove, \$25.71 per acre Irrigated Agriculture, and \$5.21 per acre Drainage Agriculture.

The following is a Summary of Revenues, Expenses and Changes in Net Position:

Comparison Summary of Revenues, Expenses and
Changes in Net Position for the Years ended
September 30

	2020 <u>Amounts</u>	2019 <u>Amounts</u>	2018 <u>Amounts</u>
Revenues:			
Maintenance taxes	\$ 798,476	\$ 778,259	\$ 759,118
Charges for services*	260,821	237,352	218,913
Interest	23,984	18,826	14,306
Gain (loss) on disposition	-	18,278	-
Miscellaneous (including rent, proceeds and sale of spoil)	16,316	16,506	36,277
Total Revenues	<u>1,099,597</u>	<u>1,069,221</u>	<u>1,028,614</u>
Expenditures:			
Administration			
Personnel services	178,395	174,339	166,665
Operating expenses	95,127	103,557	88,857
Depreciation	3,652	3,579	3,499
Interest and fiscal charges	-	-	-
Total Administration	<u>277,174</u>	<u>281,475</u>	<u>259,021</u>
Field Operations			
Personnel services	373,362	287,242	271,509
Operating expenses	313,496	284,820	218,219
Depreciation	44,784	44,722	46,853
Total Field Operations	<u>731,642</u>	<u>616,784</u>	<u>536,581</u>
Canal System Agreement			
Operating Expenses	112,005	78,664	57,492
Total Expenses	<u>1,120,821</u>	<u>976,923</u>	<u>853,094</u>
Increase (decrease) in net position	(21,224)	92,298	175,520
Net Position - Beginning, as originally stated	2,007,617	1,915,319	1,740,961
Prior Period Entry - GASB #75	-	-	(1,162)
Net Position - Beginning, as Restated**	<u>2,007,617</u>	<u>1,915,319</u>	<u>1,739,799</u>
Net Position - Ending	<u>\$ 1,986,393</u>	<u>\$ 2,007,617</u>	<u>\$ 1,915,319</u>

*Includes charges for services, joint trust contributions, intergovernmental revenue, labor and permit revenue

**Restated the 2017 ending net asset balance due to implementation of GASB No. 75.

Capital Assets

Non-depreciable capital assets include land and construction in progress. Depreciable assets include buildings, improvements other than buildings, office equipment, machinery & equipment and vehicles.

The following is a schedule of the District's capital assets:

	Capital Assets September 30		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Capital Assets not being depreciated:			
Land	\$ 665,305	\$ 665,305	\$ 665,305
Rights of Way	<u>74,323</u>	<u>74,323</u>	<u>74,323</u>
Total Capital Assets not being depreciated	<u>739,628</u>	<u>739,628</u>	<u>739,628</u>
Capital Assets being depreciated:			
Buildings	204,023	204,023	204,023
Machinery & equipment	<u>1,091,308</u>	<u>1,099,578</u>	<u>1,143,945</u>
Total Capital Assets being depreciated	<u>1,295,331</u>	<u>1,303,601</u>	<u>1,347,968</u>
Less: Accumulated Depreciation			
Buildings	(142,424)	(138,920)	(134,317)
Machinery & equipment	<u>(830,711)</u>	<u>(824,921)</u>	<u>(824,952)</u>
Total accumulated depreciation	<u>(973,135)</u>	<u>(963,841)</u>	<u>(959,269)</u>
Capital Assets, Net	<u>\$ 1,061,824</u>	<u>\$ 1,079,388</u>	<u>\$ 1,128,327</u>

During the years ended September 30, 2020, the District purchased a Ford pickup truck.

During the year ended September 30, 2019, the District purchased no new assets but disposed of a tractor and a Ford Ranger pickup truck.

During the year ended September 30, 2018, the District purchased a Kubota tractor and a Ford F150 pickup truck.

Debt Administration

The District had no outstanding debt at September 30, 2020 or 2019 or 2018 other than routine trade payables and accrued expenses including accrued compensated absences, net pension liability and the OPEB liability totaling \$796,197, \$442,645 and \$466,188 respectively.

Budgetary Highlights

For the fiscal year ended September 30, 2019, revenues exceeded expenditures by \$155,734. The surplus revenues enable the District to maintain the required emergency reserves. The increase in revenue resulted substantially from the increase in the maintenance assessment rates.

For the fiscal year ended September 30, 2020, revenues exceeded expenditures by \$78,809. The surplus revenues enable the District to maintain the required emergency reserves. The increase in revenue resulted substantially from the increase in collection of prior year maintenance assessment taxes.

There was no significant change in administration costs.

Field operation expenses increased over the prior fiscal year by approximately \$47,000 due to increased electric costs (pumping), repairs and engineering costs. Personnel cost was also up due to overtime.

The significant difference between the original and final budget was the adjustment of the carry forward to the prior year audited balance.

Implementation of GASB Statement No. 75

The District was required to implement GASB Statement No. 75 for the year ended September 30, 2018 because it offers its employees additional benefits after retirement other than a pension (OPEB). As such, it was required to restate the results of the prior year in 2018 and record its proportionate share of its net liability each year. The total OPEB liability as of September 30, 2020 and 2019 was \$23,730 and \$15,757, respectively.

Request for Information

This financial report is designed to provide the reader an overview of the District. Questions regarding any information provided in this report should be directed to:

Judi Kennington-Korf, General Manager
863-675-0346

BARRON WATER CONTROL DISTRICT
STATEMENT OF NET POSITION
September 30, 2020

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents - unrestricted	\$ 782,010
Cash and cash equivalents - restricted	134,638
Investments	517,800
Accounts receivable	2,391
Due from other governments	57,577
Deposits and other	605
Total current assets	<u>1,495,021</u>
Non-current assets:	
Capital assets:	
Non-depreciable land	739,628
Depreciable buildings, equipment and machinery (net of \$973,135 accumulated depreciation)	<u>322,196</u>
Total non-current assets	<u>1,061,824</u>
TOTAL ASSETS	<u>2,556,845</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>317,288</u>
LIABILITIES	
Current liabilities:	
Accounts payable	63,383
Deposits	30,500
Due to other governments	11,336
Unearned revenue - JT Hendry County	109,783
Current portion of long-term obligations	<u>-</u>
Total current liabilities	<u>215,002</u>
Non-current liabilities:	
Non-current portion of long-term obligations	<u>581,195</u>
TOTAL LIABILITIES	<u>796,197</u>
DEFERRED INFLOWS OF RESOURCES	<u>91,543</u>
NET POSITION	
Net investment in capital assets	1,061,824
Restricted	-
Unrestricted	<u>924,569</u>
TOTAL NET POSITION	<u><u>\$ 1,986,393</u></u>

The accompanying notes are an integral part of this statement.

**BARRON WATER CONTROL DISTRICT
STATEMENT OF ACTIVITIES
Year Ended September 30, 2020**

EXPENSES	<u>Expenses</u>	<u>Program Revenues</u>			<u>Total Governmental Activities</u>
		<u>Charges for Services, Net</u>	<u>Rent Income</u>	<u>Interest Income</u>	
Governmental activities					
General government					
Administration					
Personnel services	\$ (178,395)				
Operating expenses	(95,127)				
Depreciation	(3,652)				
Interest and fiscal charges	-				
Total general government	<u>(277,174)</u>	\$ -	\$ 5,310	\$ -	\$ (271,864)
Water control					
Personnel services	(373,362)				
Operating expenses	(313,496)				
Depreciation	<u>(44,784)</u>				
Total water control	<u>(731,642)</u>	-	-	23,984	(707,658)
Intergovernmental services fund					
Operating expenses	<u>(112,005)</u>				
Total intergovernmental services fund	<u>(112,005)</u>	111,814	-	-	(191)
Total governmental activities	<u>\$ (1,120,821)</u>	<u>\$ 111,814</u>	<u>\$ 5,310</u>	<u>\$ 23,984</u>	<u>(979,713)</u>
 GENERAL REVENUES					
Maintenance taxes					798,476
Joint trust contributions					44,457
Intergovernmental revenue					93,805
Gain from disposition of capital assets					5,750
Labor					10,745
Miscellaneous					5,256
TOTAL GENERAL REVENUES					<u>958,489</u>
 INCREASE (DECREASE) IN NET POSITION					(21,224)
 NET POSITION - Beginning of the year					<u>2,007,617</u>
 NET POSITION - End of the year					<u>\$ 1,986,393</u>

The accompanying notes are an integral part of this statement.

**BARRON WATER CONTROL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2020**

	General Fund	Inter- Governmental Services Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 782,010	\$ -	\$ 782,010
Restricted cash and cash equivalents	109,783	24,855	134,638
Investments	517,800	-	517,800
Accounts receivable	2,391	-	2,391
Due from other funds	331	7,001	7,332
Due from other governments	25,187	32,390	57,577
Deposits and other	-	605	605
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 1,437,502</u>	<u>\$ 64,851</u>	<u>\$ 1,502,353</u>
 LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable and accrued liabilities	\$ 29,363	\$ 34,020	\$ 63,383
Deposits	-	30,500	30,500
Due to other funds	7,001	331	7,332
Due to other governments	11,336	-	11,336
Unearned revenue - JT Hendry County	109,783	-	109,783
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>157,483</u>	<u>64,851</u>	<u>222,334</u>
 FUND BALANCE			
General Fund:			
Restricted	-	-	-
Assigned - emergency/disaster reserve	150,000	-	150,000
Unassigned	1,130,019	-	1,130,019
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND BALANCE	<u>1,280,019</u>	<u>-</u>	<u>1,280,019</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,437,502</u>	<u>\$ 64,851</u>	<u>\$ 1,502,353</u>

The accompanying notes are an integral part of this statement.

**BARRON WATER CONTROL DISTRICT
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT
OF NET POSITION - GOVERNMENTAL FUNDS
September 30, 2020**

	<u>Amount</u>	
Total fund balance for governmental funds	\$	1,280,019
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Capital assets not being depreciated:		
Land and rights of way	<u>739,628</u>	739,628
Capital assets being depreciated:		
Building, equipment and machinery	1,295,331	
Less accumulated depreciation	<u>(973,135)</u>	322,196
Deferred outflows and deferred inflows are applied to future periods and, therefore, are not reported in the governmental funds.		
Deferred outflows - pensions	310,307	
Deferred outflows - OPEB	<u>6,981</u>	317,288
Deferred inflows - pensions	(91,013)	
Deferred inflows - OPEB	<u>(530)</u>	(91,543)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Net pension liability - FRS	(418,121)	
Net pension liability - HIS	(112,821)	
Accrued compensated absences	(26,523)	
Net OPEB liability	<u>(23,730)</u>	(581,195)
Elimination of interfund amounts:		
Due to other funds	7,332	
Due from other funds	<u>(7,332)</u>	-
Total net position of governmental activities	<u>\$</u>	<u>1,986,393</u>

The accompanying notes are an integral part of this statement.

BARRON WATER CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
Year Ended September 30, 2020

	General Fund	Inter- Governmental Services Fund	Total Governmental Funds
REVENUES			
Maintenance taxes	\$ 798,476	\$ -	\$ 798,476
Joint trust contributions	44,457	-	44,457
Charges for services, net of refunds	-	111,814	111,814
Intergovernmental revenue	93,805	-	93,805
Permit fees	-	-	-
Interest	23,793	191	23,984
Labor	10,745	-	10,745
Rent	5,310	-	5,310
Miscellaneous	5,256	-	5,256
TOTAL REVENUES	<u>981,842</u>	<u>112,005</u>	<u>1,093,847</u>
EXPENDITURES			
Current			
General government			
Administration			
Personnel services	178,395	-	178,395
Operating expenditures	95,127	-	95,127
	<u>273,522</u>	<u>-</u>	<u>273,522</u>
Physical environment			
Field operations			
Personnel services	290,893	-	290,893
Operating expenditures	313,496	112,005	425,501
	<u>604,389</u>	<u>112,005</u>	<u>716,394</u>
Capital outlay	30,872	-	30,872
Debt service			
Principal retired	-	-	-
Interest charges	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>908,783</u>	<u>112,005</u>	<u>1,020,788</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>73,059</u>	<u>-</u>	<u>73,059</u>
OTHER FINANCING SOURCES			
Proceeds from disposition of capital assets	5,750	-	5,750
Transfers in (out)	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES	<u>5,750</u>	<u>-</u>	<u>5,750</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	<u>78,809</u>	<u>-</u>	<u>78,809</u>
FUND BALANCE - BEGINNING	<u>1,201,210</u>	<u>-</u>	<u>1,201,210</u>
FUND BALANCE - ENDING	<u>\$ 1,280,019</u>	<u>\$ -</u>	<u>\$ 1,280,019</u>

The accompanying notes are an integral part of this statement.

**BARRON WATER CONTROL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS TO THE STATEMENT
OF ACTIVITIES**

Year Ended September 30, 2020

	<u>Amount</u>
Net change (excess of revenues and other financing sources over (under) expenditures) in fund balance - total governmental funds	\$ 78,809
The increase (decrease) in net position reported for governmental activities in the Statement of Activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Plus: Expenditures for capital assets	30,872
Less: Proceeds from disposition of capital assets	(5,750)
Plus: Gain on disposition of capital assets	5,750
Less: Current year depreciation	<u>(48,436)</u>
	(17,564)
The issuance of debt is reported as a financing source in governmental funds and thus contributes to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the Statement of Net Position.	
Capital lease principal payments	<u>-</u>
	-
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
(Increase) decrease in net pension liability - FRS	(268,545)
(Increase) decrease in net pension liability - HIS	(41,031)
Increase (decrease) in deferred outflow - pensions	201,040
(Increase) decrease in deferred inflow - pensions	38,585
(Increase) decrease in net OPEB liability	(7,973)
Increase (decrease) in deferred outflow - OPEB	5,999
(Increase) decrease in deferred inflow - OPEB	(270)
(Increase) decrease in compensated absences	<u>(10,274)</u>
	<u>(82,469)</u>
Change (increase (decrease)) in net position of governmental activities	<u><u>\$ (21,224)</u></u>

The accompanying notes are an integral part of this statement.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and nature of activities

Barron Water Control District (the "District") is an independent special district created by the Twentieth Judicial Circuit Court in Case Number 72-197 on May 8, 1975, under the provisions of Florida Statute, Chapter 298, and as amended by Laws of Florida, Chapter 2000-416, which extended the Sunset Date of the District until September 30, 2020. Laws of Florida, Chapter 2001-301, approved May 29, 2001, codified, re-enacted, amended, and repealed its prior enabling acts. The enabling legislation was amended on March 25, 2016 by Laws of Florida 2016-260 which eliminated the District's Sunset Date. The District was formed for the purpose of preserving and protecting water resources by drainage, irrigation, or water management. Of the 30,366 acres of land within the District approximately 26,627 are taxable acres in Hendry and Glades Counties. The District is governed by an elected three (3) member Board of Supervisors on a one acre/one vote basis. The Supervisors serve staggered three (3) year terms.

Summary of significant accounting policies

The following is a summary of the significant accounting policies used in the preparation of these basic financial statements.

The basic financial statements of the District are comprised of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

Reporting entity

The District adheres to Governmental Accounting Standards Board (GASB) Statement Number 14, "Financial Reporting Entity", as amended by GASB Statement Number 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement Number 61, "The Financial Reporting Entity: Omnibus - An Amendment of GASB Statements No. 14 and No. 34". These Statements require the basic financial statements of the District (the primary government) to include its component units, if any. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. Based on the criteria established in GASB 14, as amended, there are no components required to be included. Therefore, there are no component units included and/or required to be included in the District's basic financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Government-wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the District and do not emphasize fund types. These governmental activities comprise the primary government. General governmental and intergovernmental revenues support the governmental activities. The purpose of the government-wide financial statements is to allow the user to be able to determine if the District is in a better or worse financial position than the prior year. The effect of all interfund activity between governmental funds has been removed from the government-wide financial statements.

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement Number 33, "Accounting and Financial Reporting for Nonexchange Transactions."

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability in the government-wide financial statements, rather than as expenditures.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital improvements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Government-wide Financial Statements, continued

Program revenues are considered to be revenues generated by services performed and/or by fees charged, such as permits allowing drainage into the District systems. The District also had program revenues from rent, charges for services, and interest income.

Fund Financial Statements

The District adheres to GASB Statement Number 54, "Fund Balance Reporting and Governmental Fund Type Definitions".

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity or retained earnings, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the District's governmental funds are presented after the government-wide financial statements. The governmental fund financial statements display information about major funds individually and nonmajor funds in aggregate for governmental funds.

Governmental Funds

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period.

The District's major funds are presented in separate columns on the governmental fund financial statements. The definition of a major fund is one that meets certain criteria set forth in GASB Statement Number 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments" (GASB 34). The funds that do not meet the criteria of a major fund are considered non-major funds and are combined into a single column on the governmental fund financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Governmental Funds, continued

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All governmental funds of the District are considered major funds.

Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period and soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers tax revenues to be available if they are collected within sixty days of the end of the current fiscal period.

Revenues susceptible to accrual are assessments, taxes, interest on investments, and intergovernmental revenues. Assessments and taxes are recorded as revenues in the fiscal year in which they are levied, provided they are collected in the current period or within sixty days thereafter. Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized when all eligibility requirements are met.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Measurement Focus and Basis of Accounting, continued

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) principal and interest on the long-term debt, if any, is recognized when due, and (2) expenditures are generally not divided between years by the recording of prepaid expenditures.

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

Non-current Government Assets/Liabilities

GASB 34 requires non-current governmental assets, such as land and buildings, and non-current governmental liabilities, such as notes and bonds payable, to be reported in the governmental activities column in the government-wide Statement of Net Position.

Major Funds

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The Intergovernmental Services Fund is a special revenue fund and accounts for the financial activity specifically related to and restricted to its canal irrigation system interlocal agreement. As such, the District's special revenue fund provides irrigation services to two independent special districts, Gerber Groves Water Control District and Collins Slough Water Control District, as well as the Barron Water Control District's General Fund. In accordance with GASB 34, the District accounts for this activity in a special revenue fund (a governmental fund).

Budgetary Information

The District has elected to report budgetary comparison of major funds as required supplementary information (RSI).

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Capital Assets

Capital assets, which include land, buildings, equipment, and machinery, are reported in the government-wide Statement of Net Position.

The District follows a capitalization policy which calls for capitalization of all capital assets that have a cost or donated value of \$1,000 or more and have a useful life in excess of one year.

All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date donated. Public domain (infrastructure) capital assets consist of certain improvements other than building, including canals, water control structures, weirs, culverts, and excavations, are capitalized. The District has included the cost of land and the cost of land under and surrounding its canals as well as the infrastructure type assets into the "land" category of capital assets. Since the District continually maintains its canals and drainage systems, it has elected not to depreciate such systems. No debt-related interest expense is capitalized as part of capital assets in accordance with GASB 34.

Maintenance, repairs, and minor renovations are not capitalized. The acquisition of land and construction projects utilizing resources received from Federal and State agencies are capitalized when the related expenditure is incurred.

Expenditures that materially increase values, change capacities, or extend useful lives are capitalized. Upon sale or retirement, the cost is eliminated from the respective accounts.

Expenditures for capital assets are recorded in the fund statements as current expenditures. However, such expenditures are not reflected as expenditures in the government-wide statements but rather are capitalized and depreciated.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings and Improvements	7-33
Equipment and Machinery	7-50

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Budgets and Budgetary Accounting

The District has adopted an annual budget for the General Fund. The District operates the Special Revenue Fund similar to an Internal Service Fund. As such, the fund is charged costs by the General Fund and by vendors for services performed. The Special Revenue Fund then allocates and bills the cost to the three participating entities. The fund has no intent to derive net income, but rather charges fees to the participating entities in amounts equal to costs incurred. No annual budget is adopted since revenue is equal to costs incurred and all costs are simply pass-through costs. Net revenue over (under) expenditures is always zero (\$0).

The District follows these procedures in establishing budgetary data for the General Fund.

1. During the spring of each year, the General Manager submits to the Board of Supervisors a proposed operating budget for the fiscal year commencing on the upcoming October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer/landowner comments.
3. The budget is adopted by approval of the Board of Supervisors.
4. Budget amounts, as shown in these basic financial statements, are as originally adopted or as amended by the Board of Supervisors.
5. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America.
6. The level of control for appropriations is exercised at the fund level.
7. Appropriations lapse at year-end.
8. The Board of Supervisors approved one budget amendment to increase total budgeted revenues and expenditures in the General Fund by \$501,210 during the fiscal year ended September 30, 2020. There were no amendments to the Special Revenue Fund budget during the fiscal year ended September 30, 2020.

Investments

The District adheres to the requirements of GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools,"

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Investments, continued

in which all investments are reported at fair value. In addition, the District abides by Florida Statute 218.415(17) as its investment policy.

Investments consist of certificates of deposit.

Compensated Absences

The District's employees accumulate sick and annual leave based on the number of years of continuous service. Upon termination of employment, employees can receive payment of accumulated annual leave, if they meet certain criteria.

Encumbrances

Encumbrances accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District because, at present, it is not necessary in order to assure effective budgetary control or to facilitate effective cash planning and control.

Due To/From Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded by the funds affected in the period in which the transactions are executed.

Due From Other Governments

No allowance for losses on uncollectible accounts has been recorded since the District considered all amounts to be fully collectible.

Fund Equity

The Board did adopt a fund balance policy. The policy calls for unassigned fund balance in the general fund ranging from 25% - 50% of budgeted expenditures. In the governmental fund financial statements, restriction of fund balance indicates amounts that are limited for a specific purpose, are not appropriable for expenditure, or are legally segregated for a specific future use. Assignments of fund balance represent tentative management plans. Such assignments can be changed and/or amended by Board Action. Unassigned fund balance indicates funds that are available for current expenditure.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Pensions

In the government-wide Statement of Net Position, liabilities are recognized for the District's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) and the Health Insurance Subsidy (HIS) defined benefit plan and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments, (including refunds of employees contributions) are recognized when due and payable in accordance with the benefit terms.

The District's retirement plans and related amounts are described in a subsequent note.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The deferred amount on pensions and OPEB is reported in the government-wide Statement of Net Position. The deferred outflows of resources related to pensions and OPEB are discussed in subsequent notes.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The deferred amount on pensions and OPEB is reported only in the government-wide Statement of Net Position. A deferred amount on pension results from the difference in the expected and actual amounts of experience, earnings, and contributions. This amount is deferred and amortized over the service life of all employees that are provided with these benefits through the plans except earnings which are amortized over five to seven years.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Interfund Transactions

The District considers interfund receivables (due from other funds) and interfund liabilities (due to other funds) to be loan transactions to and from other funds to cover temporary (three months or less) cash needs. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing funds and as reduction of expenditures/expenses in the fund that is reimbursed.

Management Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires the District to make estimates and assumptions that affect the reported amounts of assets, liabilities, fund equity, and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Subsequent events have been evaluated through January 18, 2021, which is the date the financial statements were available to be issued.

**BARRON WATER CONTROL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020**

NOTE B - CASH AND INVESTMENTS

At September 30, 2020, cash and cash equivalents were \$916,648 which was comprised of unrestricted cash held in the General Fund of \$782,010 and \$134,638 total (all funds) restricted cash. Cash and cash equivalents are restricted at September 30, 2020, for the following purposes:

	<u>Amount</u>
General Fund:	
Joint Trust - Hendry County	\$ 109,783
Special Revenue Fund:	
Intergovernmental Services Fund	<u>24,855</u>
Total - Governmental funds	<u>\$ 134,638</u>

Deposits

The District's deposit policy allows deposits to be held in demand deposit or money market accounts. All District depositories are banks or savings institutions designated as qualified depositories by the State Treasurer.

At September 30, 2020, the carrying amount of the District's deposits were \$891,793 and \$24,855 in the General Fund and Special Revenue Fund, respectively. The bank balances were \$936,331 and \$26,150 in the General Fund and Special Revenue Fund, respectively. These deposits were entirely covered by Federal Depository Insurance or by collateral pursuant to the Florida Statute, Chapter 280, Public Depository Security Act of the State of Florida.

Investments

Florida Statutes and the District's investment policy authorize investments in certificates of deposit (CD). Certificates of deposit whose values exceed the amount of federal depository insurance are collateralized pursuant to the Public Depository Security Act of the State of Florida. The District had \$517,800 (bank and book balance) invested in certificates of deposit at September 30, 2020, of which \$150,000 is held as part of the General Fund - assigned for emergency/disaster reserves.

**BARRON WATER CONTROL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020**

NOTE C - DUE TO/FROM OTHER FUNDS

Interfund receivables and payables at September 30, 2020, are as follows:

<u>Fund</u>	<u>Due from other funds</u>	<u>Due to other funds</u>
General Fund:		
Special Revenue Fund -		
Intergovernmental Services Fund	\$ 331	\$ 7,001
Total General Fund	<u>331</u>	<u>7,001</u>
Special Revenue Fund:		
General Fund	<u>7,001</u>	<u>331</u>
Total Special Revenue Fund	<u>7,001</u>	<u>331</u>
Total	<u><u>\$ 7,332</u></u>	<u><u>\$ 7,332</u></u>

Interfund receivables and payables were eliminated for presentation purposes in the Statement of Net Position at September 30, 2020.

NOTE D - RELATED PARTY TRANSACTIONS

The District paid \$80,764 to Port LaBelle Community Development District (PLCDD) during the year ended September 30, 2020, for rent for the maintenance building, health insurance, the use of a vehicle and other services performed under an intergovernmental agreement. In addition, the District received \$93,505 from PLCDD for the use of office space and computer facilities and for the cost sharing of the general manager and staff assistant.

Included in Due From Other Governments at September 30, 2020, is \$14,599 from PLCDD. Included in Due To Other Governments at September 30, 2020, is \$11,336 due to PLCDD.

BARRON WATER CONTROL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE E - CAPITAL ASSETS ACTIVITY

The following is a summary of changes in capital assets activity for the year ended September 30, 2020:

	Balance October 1 2019	Increases/ Additions	Decreases/ Retirements	Adjustments/ Reclassifications	Balance September 30 2020
Capital Assets Not					
Being Depreciated:					
Land	\$ 665,305	\$ -	\$ -	\$ -	\$ 665,305
Rights-of-way	<u>74,323</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,323</u>
Total Capital Assets Not					
Being Depreciated	<u>739,628</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>739,628</u>
Capital Assets					
Being Depreciated:					
Buildings	204,023	-	-	-	204,023
Equipment & Machinery	<u>1,099,578</u>	<u>30,872</u>	<u>(39,142)</u>	<u>-</u>	<u>1,091,308</u>
Total Capital Assets					
Being Depreciated	<u>1,303,601</u>	<u>30,872</u>	<u>(39,142)</u>	<u>-</u>	<u>1,295,331</u>
Less Accumulated Depreciation:					
Buildings	(138,920)	(3,504)	-	-	(142,424)
Equipment & Machinery	<u>(824,921)</u>	<u>(44,932)</u>	<u>39,142</u>	<u>-</u>	<u>(830,711)</u>
Total Accumulated Depreciation	<u>(963,841)</u>	<u>(48,436)</u>	<u>39,142</u>	<u>-</u>	<u>(973,135)</u>
Total Capital Assets Being					
Depreciated, Net	<u>339,760</u>	<u>(17,564)</u>	<u>-</u>	<u>-</u>	<u>322,196</u>
Capital Assets, Net	<u>\$ 1,079,388</u>	<u>\$ (17,564)</u>	<u>\$ -</u>	<u>\$ -</u>	1,061,824
				Less: Related Debt	<u>-</u>
				Net Investment in Capital Assets	<u>\$ 1,061,824</u>

Depreciation expense was charged to the following functions during the year ended September 30, 2020:

	Amount
General Government - Administration	\$ 3,652
General Government - Water Control	<u>44,784</u>
Total Depreciation Expense	<u>\$ 48,436</u>

NOTE F - LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended September 30, 2020:

	Balance October 1 2019	Additions	Retirements And Adjustments	Balance September 30 2020	Amounts Due Within One Year
Net Pension Liability - FRS	\$ 149,576	\$ 268,545	\$ -	\$ 418,121	\$ -
Net Pension Liability - HIS	71,790	41,031	-	112,821	-
Compensated Absences	16,249	10,274	-	26,523	-
Net OPEB Liability	15,757	7,973	-	23,730	-
	<u>\$ 253,372</u>	<u>\$ 327,823</u>	<u>\$ -</u>	<u>\$ 581,195</u>	<u>\$ -</u>

Long-term liabilities consists of the following at September 30, 2020:

	<u>Amount</u>
Net pension obligation - FRS pension plan. This amount is actuarially determined through calculation based upon the audited financial statements of the Florida FRS Plan.	\$ 418,121
Net pension obligation - HIS plan. This amount is actuarially determined through calculation based upon the audited financial statements of the Florida FRS Plan.	112,821
Non-current portion of compensated absences. Employees of the District are entitled to annual leave and sick time based on length of service and job classification.	26,523
Net OPEB liability GASB No. 75 actuarially determined.	<u>23,730</u>
Total Long-Term Liabilities	<u>\$ 581,195</u>

NOTE G - LINE OF CREDIT

The District maintains a \$600,000 revolving Line of Credit (LOC) from a financial institution. The LOC is intended to be used for emergency preparedness and to fund the cost of an emergency response to a disaster. The LOC has a fixed interest rate. The LOC is due on demand, has no stated renewal date or maturity date. The LOC is collateralized by a security agreement including certain revenue streams. At September 30, 2020, there was no outstanding balance due and no monies had been drawn on the LOC during the year ended September 30, 2020. Fixed interest rate at September 30, 2020 was 3.25%.

NOTE H - MAINTENANCE TAXES

Maintenance taxes are generally levied on November 1 of each year, after formal adoption of the District's budget, and become due and payable upon receipt of the Notice of Levy. Discounts are allowed for payment of maintenance taxes prior to March 1 of the following year. On April 1, any unpaid taxes become delinquent. If the taxes remain unpaid, tax certificates are then offered for sale to the general public. The billing and collection of all maintenance taxes are performed for the District by the Tax Collectors for Hendry and Glades Counties. Taxes are recognized as revenue when levied to the extent that they result in current receivables.

Key dates in the maintenance and installment tax cycle (latest date, where appropriate) are as follows:

- | | |
|-----------------|---|
| Prior to June 1 | * Maintenance assessment annual tax levy resolution submitted to the Property Appraisers of Hendry & Glades Counties. |
| November 1 | * Taxes are due and payable (levy date) with various discount provisions through March 31. |
| April 1 | * Taxes become delinquent. |
| Prior to June 1 | * Tax certificates sold by the respective Counties. |

Under the provisions of Chapter 298.54 of the Florida Statutes, the Board of Supervisors of the District levied the following uniform maintenance taxes on land within the District to pay the operating costs of the District for the year ended September 30, 2020:

NOTE H - MAINTENANCE TAXES, CONTINUED

	<u>Maintenance Taxes</u>	
Urban area	\$ 67.18	per acre
Urban area - grove	\$ 33.59	per acre
Irrigated agricultural units	\$ 25.71	per acre
Drainage agricultural units	\$ 5.21	per acre

Tax revenue from this levy is used for the maintenance and operating costs of the District. Also see Note N. At September 30, 2020, the District's uncollected maintenance taxes are approximately \$42,818 for Hendry County and \$0 for Glades County for the current tax year. These amounts will be recorded as revenue when they are received.

NOTE I - UNEARNED REVENUE - JOINT TRUST - HENDRY COUNTY

Funds received by the District totaling \$109,783 that pertain to a Hendry County permit application have been recorded as unearned revenue and restricted cash at September 30, 2020, as the funds are refundable within a thirty (30) day period should the parties agree to terminate the joint trust agreement.

NOTE J - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN

General Information about the Florida Retirement System

The Florida Retirement System ("FRS") was created in Chapter 121, Florida Statutes. The FRS was created to provide a defined benefit pension plan ("Pension Plan") for participating public employees. All District employees are participants in the Statewide Florida Retirement System (FRS) under authority of Article X, Section 14 of the State Constitution and Florida Statutes, Chapters 112 and 121. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide an integrated defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a separate cost-sharing multiple-employer defined benefit pension plan to assist retired members of any State-administered retirement system in paying the costs of health insurance.

NOTE J - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED

General Information about the Florida Retirement System - continued

Essentially all regular employees of the District are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer defined benefit plans (Pension and HIS Plans) and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information dated June 30, 2020, is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

The District's total pension expense, \$110,105 for the year ended September 30, 2020, is recorded in the government-wide financial statements. Total District retirement actual contribution expenditures were \$40,154, \$36,640 and \$32,131 for the years ended September 30, 2020, 2019 and 2018, respectively. The District contributed 100% of the required contributions.

NOTE J - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED

FRS Pension Plan

Plan Description. The FRS Pension Plan ("Plan") is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

Regular Class - Members of the FRS who do not qualify for membership in the other classes.

Senior Management Service Class (SMSC) - Members in senior management level positions.

Special Risk Class - Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

Elected Officials - Members who are elected by the voters within the District boundaries.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for those members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Members of both Plans (Pension and HIS) may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost of living adjustments to eligible participants.

NOTE J - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED

FRS Pension Plan, continued

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided. Benefits under the Plan are computed on the basis of age, and/or years of service, average final compensation, and credit service. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for the members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or the class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value of each year of service credit earned:

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>%Value</u>
Regular Class and elected members initially enrolled before July 1, 2011	
Retirement up to age 62, or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
Regular Class and elected members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
Special Risk Regular	
Service from December 1, 1970 through September 30, 1974	2.00
Service on or after October 1, 1974	3.00
Senior Management Service Class	2.00
Elected Officers' Class	3.00

NOTE J - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED

FRS Pension Plan, continued

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the year ended September 30, 2020 were as follows:

Class	Percent of Gross Salary*		
	Employee	Employer (2)	Employer (3)
Florida Retirement System, Regular	3.00	8.47	10.00
Florida Retirement System, Senior Management Service	3.00	25.41	27.29
Florida Retirement System, Special Risk	3.00	25.48	24.45
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	0.00	14.60	16.98
Florida Retirement System, Reemployed Retiree	(1)	N/A	N/A
Florida Retirement System, Elected Official	3.00	48.82	49.18

Notes:

- (1) Contribution rates are dependent upon retirement class in which reemployed.
- (2) Employer rates include 1.66 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .06 percent for administrative costs for the Investment Plan. Rates for 7/1/19 - 6/30/20.
- (3) Employer rates include 1.66 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .06 percent for administrative costs for the Investment Plan. Rates for 7/1/20 - 6/30/21.

* As defined by the Plan.

NOTE J - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED

FRS Pension Plan, continued

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Pension Plan.

At September 30, 2020, the District reported an FRS pension liability of \$418,121 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The District's proportionate share of the net pension liability was based on the District's 2019-20 fiscal year contributions relative to the total 2019-20 fiscal year contributions of all participating members. At September 30, 2020, the District's proportionate share was .000964714 percent, which was an increase of .000530387 percent from its proportionate share measure as of September 30, 2019.

For the year ended September 30, 2020, the District recognized pension expense of \$91,386. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 16,002	\$ -
Change of assumptions	75,694	-
Net difference between projected and actual earnings on pension plan investments	24,895	-
Changes in proportion and differences between District contributions and proportionate share of contributions	137,617	65,182
District contributions subsequent to the measurement date	<u>9,660</u>	<u>-</u>
Total	<u>\$ 263,868</u>	<u>\$ 65,182</u>

NOTE J - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED

FRS Pension Plan, continued

The deferred outflows of resources related to the FRS pension, totaling \$9,660, resulting from District contributions subsequent to the measurement date, will be recognized as a reduction on the net pension liability in the year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension will be recognized in pension expense over the remaining service period of 5.9 years as follows:

Fiscal Years Ending <u>September 30</u>	<u>Amount</u>
2021	\$ 39,721
2022	39,721
2023	39,721
2024	39,720
2025	33,497
Thereafter	<u>(3,354)</u>
Total	<u>\$ 189,026</u>

Actuarial Assumptions. The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	July 1, 2020
Measurement date	June 30, 2020
Inflation	2.40 percent
Real payroll growth	0.85 percent
Salary increases	3.25 percent, average, including inflation
Investment rate of return	6.80 percent, net of pension plan investment expense, including inflation
Actuarial cost method	Individual entry age

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018.

The actuarial assumptions used in the July 1, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

NOTE J - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED

FRS Pension Plan, continued

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	2.2%	2.2%	1.2%
Fixed income	19.00%	3.0%	2.9%	3.5%
Global equity	54.20%	8.0%	6.7%	17.1%
Real estate (property)	10.30%	6.4%	5.8%	11.7%
Private equity	11.10%	10.8%	8.1%	25.7%
Strategic investments	<u>4.40%</u>	5.5%	5.3%	6.9%
Total	<u>100.00%</u>			
Assumed inflation - Mean		2.40%		1.70%

(1) As outlined in the Plan's investment policy

Money-weighted Rate of Return. The annual money-weighted rate of return on the FRS Pension Plan investments was 3.35% for the Plan year ended June 30, 2020.

Discount Rate. The discount rate used to measure the total pension liability was 6.80 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

NOTE J - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED

FRS Pension Plan, continued

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.80 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
District's proportionate share of the net pension liability	<u>\$ 667,669</u>	<u>\$ 418,121</u>	<u>\$ 209,698</u>

Pension Plan Fiduciary Net Position. Detailed information about pension plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report ("FRS CAFR") dated June 30, 2020.

The FRS CAFR and actuarial reports may also be obtained by contacting the Division of Retirement at:

Department of Management Services
 Division of Retirement
 Bureau of Research and Member Communications
 P.O. Box 9000
 Tallahassee, FL 32315-9000

850-488-5706 or toll free at 877-377-1737

http://www.dms.myflorida.com/workforce_operations/retirement/publications

Payables to the Pension Plan. At September 30, 2020, the District reported a payable of \$1,057 for the outstanding amount of contributions in the pension plan required for the year ended September 30, 2020.

NOTE J - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED

HIS Plan

Plan Description. The Health Insurance Subsidy Plan ("HIS Plan") is a cost-sharing multiple-employer defined benefit pension plan established under section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services.

Benefits Provided. For the year ended September 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are at least \$30 but not more than \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the year ended September 30, 2020, the contribution rate ranged between 1.66 percent and 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to the HIS Plan. At September 30, 2020, the District reported a HIS net pension liability of \$112,821 for its proportionate share of the net HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability was used to calculate the net pension liability which was determined by an actuarial valuation as of July 1, 2020. The District's proportionate share of the net HIS liability was based on the District's 2019-20 fiscal year contributions relative to the total

NOTE J - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED

HIS Plan, continued

2019-20 fiscal year contributions of all participating members. At September 30, 2020, the District's proportionate share was .000924019 percent, which was an increase of .000282403 percent from its proportionate share measured as of September 30, 2020.

For the fiscal year ended September 30, 2020, the District recognized HIS expense of \$18,719. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 4,615	\$ 87
Change of assumptions	12,132	6,560
Net difference between projected and actual earnings on HIS pension plan investments	90	-
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	28,159	19,184
District contributions subsequent to the measurement date	<u>1,443</u>	<u>-</u>
Total	<u>\$ 46,439</u>	<u>\$ 25,831</u>

The deferred outflows of resources related to HIS, totaling \$1,443, resulting from District contributions subsequent to the measurement date, will be recognized as a reduction on the net pension liability in the year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense over the remaining service period of 7.2 years as follows:

<u>Fiscal Years Ending September 30</u>	<u>Amount</u>
2021	\$ 3,100
2022	3,100
2023	3,100
2024	3,098
2025	3,077
Thereafter	<u>3,690</u>
Total	<u>\$ 19,165</u>

NOTE J - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED

HIS Plan, continued

Actuarial Assumptions. The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Real Payroll Growth	0.85 percent
Salary Increases	3.25 percent, average, including inflation
Municipal Bond Rate	2.21 percent
Actuarial Cost Method	Individual entry age

Mortality rates were based on the Generational PUB-2010 with Projected Scale MP-2018.

Because the HIS Plan is funded on a pay-as-you-go basis, no experience study has been completed for this plan.

Discount Rate. The discount rate used to measure the total HIS liability was 2.21 percent. In general, the discount rate for calculating the total HIS liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the District's Proportionate Share of the Net HIS Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net HIS liability calculated using the discount rate of 2.21 percent, as well as what the District's proportionate share of the net HIS liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
District's proportionate share of the net HIS liability	\$ 130,416	\$ 112,821	\$ 98,420

NOTE J - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED

HIS Plan, continued

Pension Plan Fiduciary Net Position. Detailed information about the HIS plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Comprehensive Annual Financial Report ("FRS CAFR") dated June 30, 2020.

The FRS CAFR and actuarial reports may also be obtained by contacting the Division of Retirement at:

Department of Management Services
Division of Retirement
Bureau of Research and Member Communications
P.O. Box 9000
Tallahassee, FL 32315-9000

850-488-5706 or toll free at 877-377-1737

http://www.dms.myflorida.com/workforce_operations/retirement/publications

Payables to the Pension Plan. At September 30, 2020 the District reported a payable of \$216 for the outstanding amount of contributions to the HIS plan required for the fiscal ended September 30, 2020.

FRS - Defined Contribution Pension Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions

NOTE J - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED

FRS - Defined Contribution Pension Plan, continued

are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the plan, including FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2019-20 fiscal year were as follows:

Class	Percent of Gross Salary*		
	Employee	Employer (2)	Employer (3)
Florida Retirement System, Regular	3.00	8.47	10.00
Florida Retirement System, Senior Management Service	3.00	25.41	27.29
Florida Retirement System, Special Risk	3.00	25.48	24.45
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	0.00	14.60	16.98
Florida Retirement System, Reemployed Retiree	(1)	N/A	N/A
Florida Retirement System, Elected Official	3.00	48.82	49.18

Notes:

- (1) Contribution rates are dependent upon retirement class in which reemployed.
 - (2) Employer rates include 1.66 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .06 percent for administrative costs for the Investment Plan. Rates for 7/1/19 - 6/30/20.
 - (3) Employer rates include 1.66 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .06 percent for administrative costs for the Investment Plan. Rates for 7/1/20- 6/30/21.
- * As defined by the Plan.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5 year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

NOTE J - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED

FRS - Defined Contribution Pension Plan, continued

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The District's Investment Plan pension expense totaled \$2,685 for the fiscal year ended September 30, 2020 which is included as part of total FRS contributions..

Payables to the Investment Plan. At September 30, 2020, the District reported a payable of \$0 for the outstanding amount of contributions to the Plan required for the fiscal year ended September 30, 2020.

NOTE K - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of a public entity risk pool which is a cooperative group of governmental entities joining together to finance an exposure, liability, or risk. The pool provides coverage for property, liability, public officials liability, workers' compensation, automobile physical damage, general liability, and automotive liability.

There were no settled claims which exceeded insurance coverage during the past three fiscal years. In addition, there were no significant reductions in insurance coverage from coverage in the prior year.

The District carries limits of general liability of \$2,000,000 per occurrence, the aggregate limits vary by type of claim. The District retains the risk of loss up to a deductible amount of \$1,000 or 2% of value of the building, depending on the type of loss. A loss fund is established to pay the self-insured retention amounts. The PRM Program Self-insured Retentions per occurrence are \$250,000 for property, and

NOTE K - RISK MANAGEMENT, CONTINUED

\$500,000 for general liability, auto, or workers' compensation claims, public officials errors and omissions, employee benefits liability and \$25,000 for crime related claims. Any claims in excess of these established retentions are covered by excess insurance.

The District is covered by Florida Statutes under Doctrine of Sovereign Immunity (Florida Statutes, Chapter 768.28), which effectively limits the liability of individual claims.

In accordance with GASB Statement Number 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", which recognizes the funding of outstanding liabilities at full value, the pool retained Insurance Industry Consultants, Inc. to estimate ultimate retained losses and net loss reserve requirements as of the fiscal year ended September 30, 2020. The actuaries have concluded that the loss fund, including contributions not yet received and interest earned on all fund years to date, is sufficient to pay the retained ultimate losses and loss adjustment expenses for all fund years through September 30, 2020.

The District provides health and life insurance coverage through the Public Risk Management of Florida Group Health Trust. Medical coverage is provided through a self-insured trust. Any eligible claims for an individual member are paid from the trust up to a specific limit of \$200,000 per plan year. Any eligible claims above \$200,000 per member per plan year are reimbursed through reinsurance.

Major uninsurable risks include damages to infrastructure assets and damages or governmental fines due to seepage, pollution, or contamination of any kind.

NOTE L - CONTINGENCIES

The District is involved from time to time in certain routine litigation, the substance of which, either as liabilities or recoveries, would not materially affect the financial position of the District. Although the final outcome of the lawsuits, assertions, and claims or the exact amount of costs and/or potential recovery is not presently determinable, in the opinion of the District's legal counsel, the resolution of these matters are not anticipated to have a materially adverse effect on the financial condition of the District. As a general policy, the District plans to contest any such matters.

NOTE M - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB)

Pursuant to the provisions of Section 112.08, Florida Statutes, the District's defined contribution single employer OPEB Plan provides the opportunity to obtain insurance (health, dental and vision) benefits to its retired employees. The District administers the OPEB Plan but does not subsidize the cost of the retiree health and vision insurance. The year ended September 30, 2018, was the District's transition year and as such, the District implemented GASB No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". GASB No. 75 requires the District to annually record its actuarially determined total OPEB liability. The benefits are provided both with contractual or labor agreements. All retired full-time employees are eligible for OPEB benefits if actively employed by the District immediately before retirement. As of September 30, 2020, there were no retirees receiving these benefits. The District had 6 active employees. The benefits are provided with or without contractual agreements.

The retiree is eligible for benefits under the District's health plan, but is obligated to reimburse the District for 100% of the cost of the retiree's health coverage. As such, the District has no ultimate obligation for the retiree's health insurance premium. The District acts as agent for the retiree on a pay-as-you-go basis and recognizes expenditures at the time the premiums are due. The District does, however, incur the cost of premium rate being increased on its active employees due to providing coverage to its retirees (implicit rate subsidy). The employee can also buy dental and vision through the District and is responsible for 100% of the respective cost.

The retiree's premiums for these benefits totaled \$0 during the year ended September 30, 2020.

Funding Policy

The District's OPEB benefits are unfunded. The District has not determined if a separate trust fund or equivalent arrangement will be established into which the District would make contributions to advance-fund the obligation. Therefore, no separate financial statements are issued. The District has no assets committed to this plan. All required disclosures are presented herein. The District has not budgeted or funded the anticipated OPEB liability as the retiree must reimburse the District 100% of the related health insurance costs. The District obtained an actuarial valuation for OPEB Plan to measure net OPEB liability.

**NOTE M - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB),
CONTINUED**

Funding Policy, continued

The District implicitly subsidizes the premium rates paid by retirees by allowing them to participate at blended premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, retiree claims are expected to result in higher costs to the plan on average than those of active employees.

Actuarial Methods and Assumptions

At September 30, 2020, the Districts total OPEB liability of \$23,730 was measured as of September 30, 2020, and was determined by an actuarial valuation as of September 30, 2020. The following actuarial assumptions and other inputs were applied to all periods included at September 30, 2020:

Salary Increases	2.20%
Discount Rate	2.41% (2.75% for September 30, 2019)

Annual healthcare cost trend using the Society of Actuaries Long-Run Medical Cost Trend Model baseline assumptions with an initial rate of 5.4% per year trending to 4.05% by 2050.

The discount rate was based on the 20 Year Municipal Bond Rate with AA/Aa or higher.

Entry age normal cost method was used.

The FRS salary scale was used

Mortality rates were based on the RP-2000 Generational Healthy mortality Table with scale MP-2017.

The actuarial assumptions used in the September 30, 2020 valuation were based on results of an actuarial experience study performed for the FRS Retirement Plan.

Per Florida Law retirees and their dependents have access to the plan until age 65.

The rationales for selecting each of the assumptions used in the financial accounting valuation and for the assumptions changes summarized above are to best reflect the current market conditions and recent plan experience.

Demographic Assumptions

The Plan assumes 40% of employees retain coverage at retirement.

**NOTE M - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB),
CONTINUED**

<u>Changes in the Net OPEB Liability</u>	<u>Amount</u>
Balance at September 30, 2019	\$ 15,757
Changes for the year:	
Service Cost	1,009
Interest	433
Change in Benefit Terms	-
Difference Between Expected and Actual Experience	6,871
Changes in Assumptions	(340)
Benefit Payment	-
Contributions from Employer	-
Net Changes	<u>7,973</u>
Balance at September 30, 2020	<u>\$ 23,730</u>

The following presents the net OPEB liability of the District as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1 percent higher or 1 percent lower than the current discount rate.

	1% Decrease 1.41%	Current Rate 2.41%	1% Increase 3.41%
Net OPEB Liability	\$ 24,898	\$ 23,730	\$ 22,524

The following presents the net OPEB liability of the District as well as what the District's net OPEB liability would be if it were calculated using healthcare trend rates that are 1 percent higher or 1 percent lower than the current healthcare trend rate.

	1% Decrease 3.0%	Trend Rate 4.0%	1% Increase 5.0%
Net OPEB Liability	\$ 21,741	\$ 23,730	\$ 25,921

For the year ended September 30, 2020, the District recognized OPEB expense of \$2,244. At September 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 6,108	\$ -
Changes in Assumptions	873	530
Net difference between projected and actual earnings	-	-
Employer contribution subsequent to measurement date	-	-
Total	<u>\$ 6,981</u>	<u>\$ 530</u>

**NOTE M - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB),
CONTINUED**

Changes in the Net OPEB Liability, continued

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended September 30:	<u>Amount</u>
2021	\$ 802
2021	802
2023	802
2024	802
2025	802
Total Thereafter	<u>2,441</u>
	<u>\$ 6,451</u>

NOTE N - TAX COLLECTION CONTINGENCIES

In September of 2016, Barron Water Control District ("BWCD") learned the South Florida Water Management District ("SFWMD") made a decision to forgo paying tax rate levy assessments to Special Districts. The reason provided for their decision was based upon a premise they no longer consider themselves a State agency; rather, they consider themselves a State special district and therefore they believe they are not responsible for paying Florida Statute §298 tax assessments. SFWMD recognized the services provided by Barron Water Control District and suggested that SFWMD pay an invoice equal to the amount of their tax rate levy assessment as of March 31st. For the year ended September 30, 2020, BWCD invoiced SFWMD \$28,128 equal to the amount BWCD assessed SFWMD and SFWMD paid such amount. The Barron Water Control District does not agree with the SFWMD position. The future payment for services in lieu of tax assessments is uncertain.

During the audit, net taxes received was confirmed by the Hendry County Tax Collector, however the gross amount collected appeared to be higher than the assessed amount. This is potentially due to a significant amount of delinquent taxes being collected during the year ended September 30, 2020. Although it is not certain, nor possible to estimate an amount, there is a possibility the District may have to return funds to the Hendry County Tax Collector if there was an overpayment of taxes distributed.

NOTE O - COVID 19

In early March 2020, the World Health Organization classified the coronavirus outbreak "COVID-19" as a global pandemic, and it, unfortunately, continues to spread. Business continuity, including supply chains and consumer demand across a broad range of industries and countries, have been severely impacted, as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. On April 1, 2020, Florida Governor, Ron DeSantis ordered all Floridians to stay home, to lock down the State against the Coronavirus. Most governmental activity was cancelled and/or severely limited.

The District has adapted its operations to accommodate the current environment. However, the full impact of the COVID-19 outbreak continues to evolve as of the date of this report. This pandemic has adversely affected global economic activity and greatly contributed to instability in financial markets. Management is actively monitoring the local situation on its financial condition, liquidity, operations, donors, industry, and workforce. Given the daily evolution of COVID-19 and the global and local responses to curb its spread, the District is not able to estimate the future effects of COVID-19 on its results of operation, financial condition, or liquidity for fiscal year 2020-21.

**REQUIRED SUPPLEMENTARY
INFORMATION
OTHER THAN MD&A**

BARRON WATER CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND
ACTUAL - GENERAL FUND - SUMMARY STATEMENT
Year Ended September 30, 2020

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Maintenance taxes	\$ 699,998	\$ 699,998	\$ 798,476	\$ 98,478
Joint trust contributions	30,000	30,000	44,457	14,457
Intergovernmental revenue	101,106	101,106	93,805	(7,301)
Permit fees	-	-	-	-
Interest	9,950	9,950	23,793	13,843
Labor	15,500	15,500	10,745	(4,755)
Rent	4,800	4,800	5,310	510
Miscellaneous	30,000	30,000	5,256	(24,744)
Prior year budgeted carryforward	700,000	1,201,210	-	(1,201,210)
TOTAL REVENUES	<u>1,591,354</u>	<u>2,092,564</u>	<u>981,842</u>	<u>(1,110,722)</u>
EXPENDITURES				
Current				
General government				
Administration				
Personnel services	180,955	180,955	178,395	2,560
Operating expenditures	<u>159,845</u>	<u>159,845</u>	<u>95,127</u>	<u>64,718</u>
	<u>340,800</u>	<u>340,800</u>	<u>273,522</u>	<u>67,278</u>
Physical environment				
Field operations				
Personnel services	290,077	290,077	290,893	(816)
Operating expenditures	<u>332,977</u>	<u>332,977</u>	<u>313,496</u>	<u>19,481</u>
	<u>623,054</u>	<u>623,054</u>	<u>604,389</u>	<u>18,665</u>
Capital outlay	10,000	10,000	30,872	(20,872)
Debt Service				
Principal retired	-	-	-	-
Interest charges	-	-	-	-
Contingency	20,000	20,000	-	20,000
Carryforward	<u>600,000</u>	<u>1,101,210</u>	<u>-</u>	<u>1,101,210</u>
TOTAL EXPENDITURES	<u>1,593,854</u>	<u>2,095,064</u>	<u>908,783</u>	<u>1,186,281</u>
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	<u>(2,500)</u>	<u>(2,500)</u>	<u>73,059</u>	<u>75,559</u>
OTHER FINANCING SOURCES				
Proceeds from disposition of capital assets	2,500	2,500	5,750	3,250
Transfers in	-	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>2,500</u>	<u>2,500</u>	<u>5,750</u>	<u>3,250</u>
EXCESS OF REVENUES AND				
OTHER FINANCING SOURCES				
OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>78,809</u>	<u>\$ 78,809</u>
FUND BALANCE - BEGINNING			<u>1,201,210</u>	
FUND BALANCE - ENDING			<u>\$ 1,280,019</u>	

The accompanying notes are an integral part of this statement.

BARRON WATER CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND
ACTUAL - GENERAL FUND - DETAILED STATEMENT
Year Ended September 30, 2020

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Maintenance taxes	\$ 699,998	\$ 699,998	\$ 798,476	\$ 98,478
Joint trust contributions	30,000	30,000	44,457	14,457
Intergovernmental revenue	101,106	101,106	93,805	(7,301)
Permit fees	-	-	-	-
Interest	9,950	9,950	23,793	13,843
Labor	15,500	15,500	10,745	(4,755)
Rent	4,800	4,800	5,310	510
Miscellaneous	30,000	30,000	5,256	(24,744)
Prior year budgeted carryforward	700,000	1,201,210	-	(1,201,210)
TOTAL REVENUES	1,591,354	2,092,564	981,842	(1,110,722)
EXPENDITURES				
Current				
General government				
Administration				
Personnel services				
Board of Supervisors' fees	-	-	-	-
Salaries, General Manager	93,060	93,060	93,536	(476)
Salaries, clerical	35,591	35,591	34,600	991
Payroll benefits	52,304	52,304	50,259	2,045
TOTAL - ADMINISTRATION				
PERSONNEL SERVICES	180,955	180,955	178,395	2,560
Operating expenditures				
Professional services	39,700	39,700	16,433	23,267
Audit and bookkeeping	42,500	42,500	32,338	10,162
Tax collection fees	23,750	23,750	23,011	739
Travel	1,200	1,200	-	1,200
Telephone services	3,120	3,120	2,257	863
Freight & postage services	375	375	169	206
Utilities	1,500	1,500	1,760	(260)
Computer expenses	1,000	1,000	-	1,000
Office expense	7,200	7,200	3,811	3,389
Miscellaneous expense	4,000	4,000	9,096	(5,096)
Other office supplies	4,000	4,000	3,440	560
Operating supplies - admin	1,500	1,500	2,169	(669)
Membership fees	1,000	1,000	643	357
Other general government services	29,000	29,000	-	29,000
TOTAL - ADMINISTRATION				
OPERATING EXPENDITURES	159,845	159,845	95,127	64,718
SUBTOTAL EXPENDITURES				
CARRIED FORWARD	\$ 340,800	\$ 340,800	\$ 273,522	\$ 67,278

The accompanying notes are an integral part of this statement.

BARRON WATER CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND
ACTUAL - GENERAL FUND - DETAILED STATEMENT, CONTINUED
Year Ended September 30, 2020

	General Fund			Variance
	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
EXPENDITURES, CONTINUED				
SUBTOTAL EXPENDITURES				
BROUGHT FORWARD	\$ 340,800	\$ 340,800	\$ 273,522	\$ 67,278
Physical environment				
Field operations				
Personnel services				
Salaries/wages	192,065	192,065	197,577	(5,512)
Payroll benefits	98,012	98,012	93,316	4,696
TOTAL - FIELD OPERATIONS				
PERSONNEL SERVICES	290,077	290,077	290,893	(816)
Operating expenditures				
Engineering service	10,000	10,000	32,396	(22,396)
Water quality maintenance	5,750	5,750	-	5,750
Canal maintenance	11,000	11,000	-	11,000
Rental equipment	1,200	1,200	-	1,200
Insurance - liability	37,755	37,755	37,604	151
Utilities	2,000	2,000	720	1,280
Travel and per diem	1,000	1,000	-	1,000
Mobile telephone expense	3,000	3,000	1,900	1,100
Electric service	120,287	120,287	123,258	(2,971)
Pump repair	10,285	10,285	12,960	(2,675)
Repairs and maintenance - equipment	18,600	18,600	55,333	(36,733)
Operating supplies	55,400	55,400	26,667	28,733
Chemicals	43,200	43,200	18,758	24,442
Other improvements	13,500	13,500	3,900	9,600
TOTAL - FIELD OPERATIONS				
OPERATING EXPENDITURES	332,977	332,977	313,496	19,481
Capital outlay	10,000	10,000	30,872	(20,872)
Principal retirement	-	-	-	-
Interest charges	-	-	-	-
Contingency	20,000	20,000	-	20,000
Carryforward	600,000	1,101,210	-	1,101,210
	630,000	1,131,210	30,872	1,100,338
TOTAL EXPENDITURES	1,593,854	2,095,064	908,783	1,186,281
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES CARRIED FORWARD	\$ (2,500)	\$ (2,500)	\$ 73,059	\$ 75,559

The accompanying notes are an integral part of this statement.

BARRON WATER CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND
ACTUAL - GENERAL FUND - DETAILED STATEMENT, CONTINUED
Year Ended September 30, 2020

	General Fund			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BROUGHT FORWARD	\$ (2,500)	\$ (2,500)	\$ 73,059	\$ 75,559
OTHER FINANCING SOURCES				
Proceeds from disposition of capital assets	2,500	2,500	5,750	3,250
Transfers in	-	-	-	-
TOTAL OTHER FINANCING SOURCES	2,500	2,500	5,750	3,250
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	\$ -	\$ -	78,809	\$ 78,809
FUND BALANCE - BEGINNING			1,201,210	
FUND BALANCE - ENDING			\$ 1,280,019	

The accompanying notes are an integral part of this statement.

BARRON WATER CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND
ACTUAL - SPECIAL REVENUE FUND - INTERGOVERNMENTAL SERVICES FUND
Year Ended September 30, 2020

Special Revenue Fund - Intergovernmental Services Fund				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Charges for services	\$ -	\$ -	\$ 111,814	\$ 111,814
Interest	-	-	191	191
TOTAL REVENUES	-	-	112,005	112,005
EXPENDITURES				
Current				
Physical environment				
Field operations				
Operating expenditures	-	-	112,005	(112,005)
TOTAL EXPENDITURES	-	-	112,005	(112,005)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	\$ -	-	\$ -
FUND BALANCE - BEGINNING			-	
FUND BALANCE - ENDING			\$ -	

The accompanying notes are an integral part of this statement.

**BARRON WATER CONTROL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET
FRS PENSION LIABILITY - FLORIDA RETIREMENT SYSTEM (FRS) PENSION
PLAN (1)**

	2020	2019	2018	2017
District's proportion of the net pension liability	0.000964714%	0.0000609222%	0.000609223%	0.000914934%
District's proportionate share of the net pension liability	\$ 418,121	\$ 149,576	\$ 183,501	\$ 270,630
District's covered-employee payroll	\$ 323,857	\$ 311,479	\$ 290,953	\$ 295,566
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	129.11%	48.02%	63.07%	91.56%
Plan fiduciary net position as a percentage of the total pension liability	78.85%	82.61%	84.26%	83.89%

Notes: (1) The amounts presented for each fiscal year were determined as of September 30.

**SCHEDULE OF DISTRICT CONTRIBUTIONS -
FLORIDA RETIREMENT SYSTEM (FRS) PENSION PLAN (1)**

	2020	2019	2018	2017
Contractually required contribution	\$ 33,328	\$ 29,312	\$ 25,705	\$ 18,316
Contributions in relation to the contractually required contribution	<u>33,328</u>	<u>29,312</u>	<u>25,705</u>	<u>18,316</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 323,857	\$ 311,479	\$ 290,953	\$ 295,566
Contributions as a percentage of covered-employee payroll	10.29%	9.41%	8.83%	6.20%

Notes: (1) The amounts presented for each fiscal year were determined as of September 30.

GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, governments should present information for only those years for which information is available.

2016	2015	2014
0.000477949%	0.000824374%	0.001002578%
\$ 120,682	\$ 106,479	\$ 61,172
\$ 275,756	\$ 272,768	\$ 282,948
43.76%	39.04%	21.62%
84.88%	92.00%	96.09%

2016	2015	2014
\$ 13,395	\$ 17,100	\$ 26,606
13,395	17,100	26,606
\$ -	\$ -	\$ -
\$ 275,756	\$ 272,768	\$ 282,948
4.86%	6.27%	9.40%

**BARRON WATER CONTROL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET
PENSION LIABILITY - HEALTH INSURANCE SUBSIDY (HIS) PENSION
PLAN (1)**

	2020	2019	2018	2017
District's proportion of the net pension liability	0.000924019%	0.000641616%	0.000720137%	0.000903192%
District's proportionate share of the net pension liability	\$ 112,821	\$ 71,790	\$ 76,200	\$ 96,573
District's covered-employee payroll	\$ 323,857	\$ 311,479	\$ 290,953	\$ 295,566
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	34.84%	23.05%	26.19%	32.67%
Plan fiduciary net position as a percentage of the total pension liability	3.00%	2.63%	2.15%	1.64%

Notes: (1) The amounts presented for each fiscal year were determined as of September 30.

**SCHEDULE OF DISTRICT CONTRIBUTIONS -
HEALTH INSURANCE SUBSIDY (HIS) PENSION PLAN (1)**

	2020	2019	2018	2017
Contractually required contribution	\$ 6,826	\$ 7,328	\$ 6,426	\$ 4,869
Contributions in relation to the contractually required contribution	<u>6,826</u>	<u>7,328</u>	<u>6,426</u>	<u>4,869</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 323,857	\$ 311,479	\$ 290,953	\$ 295,566
Contributions as a percentage of covered-employee payroll	2.11%	2.35%	2.21%	1.65%

Notes: (1) The amounts presented for each fiscal year were determined as of September 30.

GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, governments should present information for only those years for which information is available.

2016	2015	2014
0.000854374%	0.000939733%	0.000941933%
\$ 99,574	\$ 95,838	\$ 88,073
\$ 275,756	\$ 272,768	\$ 282,948
36.11%	35.14%	31.13%
0.97%	0.50%	0.99%

2016	2015	2014
\$ 3,794	\$ 5,069	\$ 5,487
<u>3,794</u>	<u>5,069</u>	<u>5,487</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 272,756	\$ 272,768	\$ 282,948
1.39%	1.86%	1.94%

Changes of Assumptions

Actuarial assumptions for both cost-sharing defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2019 for the period July 1, 2013 through June 30, 2018. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments were reduced from 6.90% to 6.80%. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 2.21% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both plans were based on the Generational PUB-2010 with Projection Scale MP-2018.

Florida Retirement System Pension Plan

There were changes in actuarial assumptions. As of June 30, 2020, the inflation rate assumption decreased to 2.4 percent, the real payroll growth assumption was increased to 0.85 percent, and the overall payroll growth rate assumption remained at 3.25 percent. The long-term expected rate of return was reduced from 6.90 percent to 6.80 percent.

Health Insurance Subsidy Pension Plan

The municipal rate used to determine total pension liability decreased from 3.50 percent to 2.21 percent.

Pension Expense and Deferred Outflows/Inflows of Resources

In accordance with GASB 68, paragraphs 54 and 71, changes in the net pension liability are recognized in pension expense in the current measurement period, except as indicated below. For each of the following, a portion is recognized in pension expense in the current reporting period, and the balance is amortized as deferred outflows or deferred inflows of resources using a systematic and rational method over a closed period, as defined below:

- Differences between expected and actual experience with regard to economic and demographic factors - amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)
- Changes of assumptions or other inputs - amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)
- Changes in proportion and differences between contributions and proportionate share of contributions - amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)
- Differences between expected and actual earnings on pension plan investments - amortized over five years

Contributions to the pension plans from employers are not included in collective pension expense. However, employee contributions are used to reduce pension expense.

The average expected remaining service life of all employees provided with pensions through the pension plans at September 30, 2020 was 5.9 years (6.4 for FY 19) for FRS and 7.2 years (7.2 for FY 19) for HIS.

BARRON WATER CONTROL DISTRICT
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND
RELATED RATIOS GASB 75
September 30, 2020

Changes in Employer's Net OPEB Liability and Related Ratios as of September 30:

	2018	2019	2020
Net OPEB Liability			
Service Cost	\$ 844	\$ 841	\$ 1,009
Interest Cost	433	510	433
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	-	6,871
Changes in Assumptions	(324)	1,091	(340)
Benefit Payments	-	-	-
Net Change in total OPEB Liability	953	2,442	7,973
Net OPEB Liability - Beginning of Year	12,362	13,315	15,757
Net OPEB Liability - End of Year	<u>\$ 13,315</u>	<u>\$ 15,757</u>	<u>\$ 23,730</u>

NOTE: Information for FY 2017 and earlier is not available.

Plan Fiduciary Net Position as of September 30:

	2018	2019	2020
Contributions - Employer	\$ -	\$ -	\$ -
Net Investment Income	-	-	-
Benefit Payments	-	-	-
Administrative Expense	-	-	-
Net Change in Fiduciary Net Position	-	-	-
Fiduciary Net Position - Beginning of Year	-	-	-
Fiduciary Net Position - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB Liability	\$ 13,315	\$ 15,757	\$ 23,730
Fiduciary Net Position as a % of Total OPEB Liability	0.00%	0.00%	0.00%
Covered-Employee Payroll *			
Net OPEB Liability as a % of Payroll *			
Expected Average Remaining Service Years of All Participants	10	10	9

* Because this OPEB plan does not depend of salary, no information is provided.

NOTE: Information for FY 2017 and earlier is not available.

Notes to the Schedule:

Benefit Changes	None
Changes of Assumptions	The discount rate was changed as follows:
9/30/17	3.50%
9/30/18	3.83%
9/30/19	2.75%
9/30/20	2.41%

Population covered by Plan: 6 active 0 retired

Plan has no specific trust established. \$0 assigned for OPEB.

ADDITIONAL REPORTS



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 & Company, PA

Certified Public Accountants & Consultants

Affiliations

Florida Institute of Certified Public Accountants

American Institute of Certified Public Accountants

Private Companies Practice Section

Tax Division

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL
 CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
 AND OTHER MATTERS BASED ON AN AUDIT OF BASIC
 FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
 WITH GOVERNMENT AUDITING STANDARDS**

Board of Supervisors
 Barron Water Control District
 P.O. Box 1606
 LaBelle, Florida 33975-1606

We have audited, 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 of America, the basic financial statements of the governmental activities and each major fund of Barron Water Control District (the "District") as of and for the year ended September 30, 2020, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents and have issued our report thereon dated January 18, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the basic financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of

INTEGRITY SERVICE EXPERIENCE

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, as defined previously. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Barron Water Control District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant 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 that are required to be reported under Government Auditing Standards.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Tuscán & Company, P.A." with a stylized flourish at the end.

TUSCAN & COMPANY, P.A.

Fort Myers, Florida

January 18, 2021



TUSCAN
& Company, PA

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Affiliations

Florida Institute of Certified Public Accountants

American Institute of Certified Public Accountants

Private Companies Practice Section

Tax Division

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE
WITH SECTION 218.415, FLORIDA STATUTES**

Board of Supervisors
Barron Water Control District
P.O. Box 1606
LaBelle, Florida 33975-1606

We have examined Barron Water Control District's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2020. Management is responsible for Barron Water Control District's compliance with those requirements. Our responsibility is to express an opinion on Barron Water Control 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 and, accordingly, included examining, on a test basis, evidence about Barron Water Control District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Barron Water Control District's compliance with specified requirements.

In our opinion, Barron Water Control District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

This report is intended solely for the information and use of the Barron Water Control District and the Auditor General of the State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

TUSCAN & COMPANY, P.A.
Fort Myers, Florida
January 18, 2021

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INDEPENDENT AUDITOR'S REPORT TO MANAGEMENT

Board of Supervisors
 Barron Water Control District
 P.O. Box 1606
 LaBelle, Florida 33975-1606

We have audited the accompanying basic financial statements of Barron Water Control District (the "District") as of and for the year ended September 30, 2020 and have issued our report thereon dated January 18, 2021.

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 of America and Chapter 10.550, Rules of the Florida Auditor General. 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 Chapter 10.550, Rules of the Florida Auditor General. Disclosures in those reports, which are dated January 18, 2021, should be considered in conjunction with this report to management.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports:

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no financially significant prior year comments noted.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. No such recommendations were noted to improve financial management.

INTEGRITY SERVICE EXPERIENCE

- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The District discloses this information in the notes to the financial statements.
- Section 10.554(1)(i)5.a., Rules of the Auditor General, requires a statement be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Pursuant to Sections 10.554(1)(i)5.b and 10.556(7), Rules of the Auditor General, we have applied financial condition assessment procedures pursuant to Rule 10.556(8). It is management's responsibility to monitor the District's 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. In connection with our audit, we determined that the District did not meet any of the criteria of a deteriorating financial condition described in Auditor General Rule Section 10.554(1)(i)(6).c.
- Pursuant to Section 10.554(1)(i)5.b.2, Rules of the Auditor General, if a deteriorating financial condition(s) is noted then a statement is so required along with the conditions causing the auditor to make such a conclusion. No such conditions were noted.
- Pursuant to Section 10.554(1)(i)5.c., Rules of the Auditor General, requires a statement indicating a failure, if any, of a component unit Special District to provide financial information necessary to a proper reporting of the component unit within the audited financial statements of this entity (F.S. Section 218.39(3)(b)). There are no known component special districts required to report within these financial statements.
- Section 10.556(10)(a), Rules of the Auditor General, requires that the scope of our audit to determine the District's compliance with the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the District complied with Section 218.415, Florida Statutes as reported in our Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes dated January 18, 2021, included herein.

- Section 10.557(3)(m), Rules of the Auditor General, requires a notarized affidavit signed and sworn to be the Chief Financial Officer be included in the audit report. We determined this item is not applicable to the District as the District has not implemented impact fees.

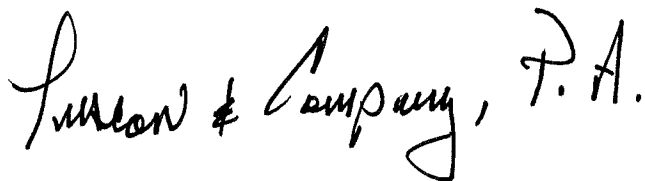
PRIOR YEAR COMMENTS:

No financially significant comments noted.

CURRENT YEAR COMMENTS:

No financially significant comments noted.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the Board of Commissioners, management, the Auditor General of the State of Florida and other federal and state agencies. This report is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Tuscan & Company, P.A." in a cursive, slightly slanted script.

TUSCAN & COMPANY, P.A.
Fort Myers, Florida
January 18, 2021

EXHIBIT

BARRON WATER CONTROL DISTRICT

POB1606 LaBelle, Florida 33975-1606

Shipping: 3293 Dellwood Terrace, LaBelle, Florida 33935

(863) 675-0346 Fax (863) 675-9297

www.bwcd.net

§298 Government District

Judi Kennington-Korf
General Manager
judikk@bwcd.net

George Leicht
Field Supervisor
gleich@bwcd.net

April 19, 2021
2021-355

Ms. Sherill F. Norman, CPA
State of Florida Auditor General
Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

Subject: Response to Management Letter
Fiscal Year: October 1, 2019 – September 30, 2020

Dear Ms. Sherrill:

In response to the management letter contained in the independent audit conducted by Tuscan & Company, PA, of the Barron Water Control District, please observe there were no financially significant comments noted.

Should additional information be necessary, please contact this writer. Thank you.

Sincerely,



Judi Kennington-Korf
General Manager

/jkk

\\Barron-NAS\Public\AUDIT, BWCD\2020 Audit, Year ending 9-30-2020\Correspondence.doc

Mark Colbert, Chairman
Seat 1

Pat McKenna, Vice Chairman
Seat 2

Ron Tritt, Treasurer
Seat 3