

Coral Springs Improvement District

Basic Financial Statements
For the Year Ended September 30, 2020



Coral Springs Improvement District

Table of Contents

Independent Auditor's Report	1-3
Management's Discussion and Analysis (Not Covered by Independent Auditor's Report)	4-8
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements:	
Balance Sheet - Governmental Fund	11
Reconciliation of the Balance Sheet of the Governmental Fund to the Statement of Net Position	12
Statement of Revenues, Expenditures and Change in Fund Balance - Governmental Fund	13
Reconciliation of the Statement of Revenues, Expenditures and Change in Fund Balance of the Governmental Fund to the Statement of Activities	14
Statement of Revenues, Expenditures and Change in Fund Balance - Budget and Actual - General Fund	15
Statement of Net Position - Proprietary Fund	16
Statement of Revenues, Expenses and Change in Net Position - Proprietary Fund	17
Statement of Cash Flows - Proprietary Fund	18-19
Notes to Basic Financial Statements	20-31
Required Supplemental Information	
Schedule of Changes in the Net OPEB Liability and Related Ratios	32
Schedule of District Contributions	33
Other Financial Information	
Schedule of Operating Expenses by Department - Proprietary Fund	34

Coral Springs Improvement District

Table of Contents (continued)

Other Reports of Independent Auditor's

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	35-36
Independent Auditor's Report Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance	37-38
Independent Auditor's Report to District Management	39-41
Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes	42
Schedule of Expenditures of Federal Awards	43
Notes to the Schedule of Expenditures of Federal Awards	44
Schedule of Findings and Questioned Costs	45

INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Coral Springs Improvement District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Coral Springs Improvement 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standard applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

CPA's + Trusted Advisors

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the District, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and budgetary comparison of the General Fund 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 4 through 8 and schedules of changes in the net OPEB liability and related ratios and district contributions on pages 32 and 33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of operating expenses by department - proprietary fund on page 34 as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is also not a required part of the basic financial statements. The schedule of federal awards and the schedule of operating expenses by department - proprietary fund is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



KEEFE McCULLOUGH

Fort Lauderdale, Florida
January 12, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS



Our discussion and analysis of Coral Springs Improvement District's (the "District") financial performance provides an objective and easily readable analysis of the District's financial activities. The analysis provides summary financial information for the District and should be read in conjunction with the District's financial statements.

Financial Highlights

The following are the highlights of financial activity for the year ended September 30, 2020:

- The District's total assets and deferred outflows of resources exceeded total liabilities by \$ 57,743,989 (net position), of which \$ 29,764,615 was unrestricted.
- Governmental activities revenues totaled \$ 4,548,614, including assessments of \$ 3,445,469 and intergovernmental income of \$ 967,596, while governmental activities expenses totaled \$ 1,921,357. Business-type revenues totaled \$ 13,454,595, including charges for services of \$ 13,130,911 and interest income of \$ 252,583. Business-type expenses totaled \$ 13,544,420.
- At September 30, 2020, the General Fund reported a fund balance of \$ 9,380,748, of which \$ 5,127,748 was unassigned.

Overview of the Financial Statements

The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements. The government-wide financial statements present an overall picture of the District's financial position and results of operations. The fund financial statements present financial information for the District's major fund. The notes to basic financial statements provide additional information concerning the District's finances that are not disclosed in the government-wide or fund financial statements.

Government-Wide Financial Statements: The Government-wide financial statements are the statement of net position and the statement of activities. These statements use accounting methods similar to those used by private-sector companies. Emphasis is placed on the net position of governmental activities and business-type activities and the change in net position. Governmental activities are primarily supported by property tax assessments. Business-type activities are supported by charges to the users of those activities, such as water and sewer services.

The statement of net position presents information on all assets and liabilities of the District, with the difference between assets, deferred inflow/outflows of resources and liabilities reported as net position. Net position is reported in three categories: 1) net investment in capital assets; 2) restricted and; 3) unrestricted. Assets, liabilities, and net position are reported for all governmental activities separate from the assets, liabilities, and net position of business-type activities.

The statement of activities presents information on all revenues and expenses of the District and the change in net position. Expenses are reported by major function and program. Revenues relating to those functions are reported, providing the net cost of all functions provided by the District. To assist in understanding the District's operations, expenses have been reported as governmental activities or business-type activities. Governmental activities financed by the District include physical environment and general government. Business-type activities financed by user charges include water and sewer services.

Fund Financial Statements: Fund financial statements present financial information for governmental funds and proprietary funds. These statements provide financial information for the major funds of the District. Governmental fund financial statements provide information on the current assets and liabilities of the fund, changes in current financial resources (revenues and expenditures), and current available resources. The enterprise fund financial statements provide information on all assets and liabilities of the fund, changes in the economic resources (revenues and expenses), and total economic resources.

Fund financial statements include a balance sheet and a statement of revenues, expenditures and change in fund balance for the governmental fund. A statement of revenues, expenditures, and change in fund balance - budget and actual, is provided for the District's General Fund. For enterprise funds, a statement of net position, a statement of revenues, expenses and change in net position, and a statement of cash flows are presented. Fund financial statements provide more detailed information about the District's activities. Individual funds are established by the District to track revenues that are restricted to certain uses and to comply with legal requirements.

The government-wide financial statements and the fund financial statements provide different pictures of the District. The government-wide financial statements provide an overall picture of the District's financial standing, split between governmental activities and business-type activities. These statements are comparable to private-sector companies and give a good understanding of the District's overall financial health and how the District paid for the various activities, or functions, provided by the District. All assets of the District, including buildings, land, machinery and equipment, construction-in-progress and infrastructure are reported in the statement of net position. All liabilities, including principal outstanding on bonds, and future employee benefits, obligated but not paid by the District, are included. The statement of activities includes a provision for depreciation of all long-lived assets of the District, but transactions between the different functions of the District have been eliminated in order to avoid "doubling up" the revenues and expenses. The fund financial statements provide a picture of the major funds of the District. In the case of governmental activities, outlays for long-lived assets are reported as expenditures and long-term liabilities, such as general obligations bonds, are not included in the fund financial statements. To provide a link from the fund financial statements to the government-wide financial statements, reconciliations are provided from the fund financial statements to the government-wide financial statements.

Notes to the Basic Financial Statements: The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statement can be on pages 20 through 31 of this report.

**Coral Springs Improvement District
Management's Discussion and Analysis
September 30, 2020**

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of financial position. The following table reflects the condensed government-wide statements of net position as of September 30, 2020 and 2019:

**Coral Springs Improvement District
Statements of Net Position**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 9,578,072	\$ 6,927,799	\$ 21,067,786	\$ 19,955,886	\$ 30,645,858	\$ 26,883,685
Restricted assets	-	-	4,591,837	4,593,522	4,591,837	4,593,522
Capital assets (net)	7,107,234	7,116,128	53,255,303	56,384,985	60,362,537	63,501,113
Total assets	16,685,306	14,043,927	78,914,926	80,934,393	95,600,232	94,978,320
Total deferred outflows of resources	-	-	1,347,733	1,470,254	1,347,733	1,470,254
Other liabilities	234,976	225,219	3,249,266	3,637,568	3,484,242	3,862,787
Noncurrent liabilities	73,905	69,540	35,645,829	37,309,690	35,719,734	37,379,230
Total liabilities	308,881	294,759	38,895,095	40,947,258	39,203,976	41,242,017
Net position:						
Net investments in capital assets	7,107,234	7,116,128	16,280,303	17,769,985	23,387,537	24,886,113
Restricted	-	-	4,591,837	4,593,522	4,591,837	4,593,522
Unrestricted	9,269,191	6,633,040	20,495,424	19,093,882	29,764,615	25,726,922
Total net position	\$ 16,376,425	\$ 13,749,168	\$ 41,367,564	\$ 41,457,389	\$ 57,743,989	\$ 55,206,557

Governmental and Business-Type Activities: Governmental activities increased the District's net position by \$ 2,627,257, while business-type activities decreased the District's net position by \$ 89,825, as reflected in the table below:

**Coral Springs Improvement District
Statements of Activities**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Revenues:						
Charges for services	\$ 4,600	\$ 5,000	\$ 13,130,911	\$ 13,019,104	\$ 13,135,511	\$ 13,024,104
Taxes:						
Assessments	3,445,469	3,386,483	-	-	3,445,469	3,386,483
Other	37,578	34,167	71,101	25,260	108,679	59,427
Total revenues	3,487,647	3,425,650	13,202,012	13,044,364	16,689,659	16,470,014
Expenses:						
General government	801,633	574,762	-	-	801,633	574,762
Physical environment	758,827	764,918	-	-	758,827	764,918
Water and sewer	-	-	7,616,219	7,650,013	7,616,219	7,650,013
Interest expense	-	-	1,283,605	1,332,704	1,283,605	1,332,704
Provision for depreciation	360,897	344,666	4,644,596	4,449,573	5,005,493	4,794,239
Total expenses	1,921,357	1,684,346	13,544,420	13,432,290	15,465,777	15,116,636
Change in net position before other income (expense)	1,566,290	1,741,304	(342,408)	(387,926)	1,223,882	1,353,378

**Coral Springs Improvement District
Management's Discussion and Analysis
September 30, 2020**

**Coral Springs Improvement District
Statements of Activities
(continued)**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Other income (expense):						
Grant revenue	967,596	67,517	-	-	967,596	67,517
Interest income	<u>93,371</u>	<u>141,468</u>	<u>252,583</u>	<u>462,883</u>	<u>345,954</u>	<u>604,351</u>
Total other income (expense)	<u>1,060,967</u>	<u>208,985</u>	<u>252,583</u>	<u>462,883</u>	<u>1,313,550</u>	<u>671,868</u>
Change in net position	2,627,257	1,950,289	(89,825)	74,957	2,537,432	2,025,246
Net position, beginning of the year	<u>13,749,168</u>	<u>11,798,879</u>	<u>41,457,389</u>	<u>41,382,432</u>	<u>55,206,557</u>	<u>53,181,311</u>
Net position, end of the year	<u>\$ 16,376,425</u>	<u>\$ 13,749,168</u>	<u>\$ 41,367,564</u>	<u>\$ 41,457,389</u>	<u>\$ 57,743,989</u>	<u>\$ 55,206,557</u>

Analysis of the Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the District’s governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a District’s net resources available for spending at the end of the fiscal year. The General Fund is the only governmental fund.

As of the end of the current fiscal year, the District’s governmental fund reported an ending fund balance of \$ 9,380,748.

Capital Assets and Debt Administration

The District’s capital assets less accumulated depreciation for its governmental activities and business-type activities as of September 30, 2020 amounts to \$ 7,107,234 and \$ 53,255,303, respectively, and consists of land, buildings, infrastructure, machinery and equipment, easements and construction-in-progress.

At the end of the year, the District’s business activities had general obligation bond debt outstanding of \$ 36,975,000.

Additional information on the District’s debt can be found in Note 6 beginning on page 26 of this report.

General Fund Budgetary Highlights: An operating budget for the General Fund was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The General Fund budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The budget to actual comparisons for the General Fund, including the original and final adopted budget, is shown on page 15.

The District experienced a favorable variance in revenues compared to the General Fund budget in the amount of \$ 1,063,303. The District also experienced a favorable variance in expenditures compared to the General Fund budget in the amount of \$ 216,418.

Economic Factors and Next Year's Budgets

Fiscal year 2020 brought its own challenges to the District due in large part to the worldwide COVID-19 pandemic. Restrictions imposed by governmental authorities to control the virus' spread affected the economy. Multiple businesses closed, unemployment was on the rise, and interest rates lowered to almost zero percentage. Due to these low interests, we have not budgeted any returns on our investments as in the prior budget. The District has had to increase spending in safety, cleaning, chemicals, and sanitizing items.

To assist customers affected by COVID-19 while being conscious of affecting revenues; board members supported the suspension of charges in Delinquent Fees on customer accounts during five months of pandemic. Customers were encouraged to sign up for payment plans and seek assistance from governmental programs for their past due utility bills.

In collaboration with Broward County, the District is voluntarily participating in sample collection of wastewater for testing by Broward County to help analyze the COVID-19 virus level in wastewater and correlate this to the virus infection spread in the community.

During fiscal year 2020, the District collected the second million dollars to apply to the Reserves for Storm Damages. CSID received approximately \$ 968,000 from FEMA as reimbursement for funds spent by the District to dispose of debris from downed trees due to hurricane Irma. The Directors and Board members are considering a plan to preemptively remove of all trees located along the right of ways of the District's canal banks. The District has applied for a grant for this purpose however reserve funds and the FEMA reimbursement funds may be used if we are not awarded the grant. Completing this project would reduce the need for a Reserve fund for Storm Damages.

By the end of 2020, the Stormwater Pump Stations 1 & 2 Hurricane Hardening project is in its final phase. The funding of this project includes a Grant from Florida Division of Emergency Management - Hurricane Loss Mitigation in the amount of \$ 194,000.

The adopted budget for General Fund for fiscal year 2021 includes funds for design and restoration of the canal bank at Site 10 & 10A in the amount of \$ 700,000.

During fiscal year 2020 the District paid approximately \$ 1 million for lift station repairs. The repairs included Lift Station #2 gravity sewer and lateral rehabilitation and repairs to Lift Station #4 & Lift Station #22. The District also funded other capital improvements including \$ 1.3 million for Plant D repairs, \$ 2 million for Dual Zone Monitor Well 4 construction, other projects included improvements in high service pumps, rehabilitation to C Plant and Well 9 panel replacement.

The adopted budget for fiscal year 2021 includes over \$ 2.7 million in capital projects. The projects include: the rehab of two lift stations, sewer lining spot repairs, an emergency generator for the deep injection wells, water plant backflow preventer elimination and multiple smaller items.

Requests for Information

This financial report is designed to provide a general overview of Coral Springs Improvement District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Coral Springs Improvement District, 10300 N.W. 11th Manor, Coral Springs, Florida 33071.

BASIC FINANCIAL STATEMENTS

Coral Springs Improvement District
Statement of Net Position
September 30, 2020

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 4,615,908	\$ 9,019,456	\$ 13,635,364
Investments	4,952,500	10,252,829	15,205,329
Accounts receivable	5,000	1,352,131	1,357,131
Due from other governments	-	98,241	98,241
Accrued interest receivable	1,664	3,774	5,438
Prepaid items	3,000	341,355	344,355
Restricted cash and cash equivalents	-	4,591,837	4,591,837
Noncurrent assets:			
Capital assets:			
Depreciable (net)	6,272,375	51,782,164	58,054,539
Nondepreciable	834,859	1,473,139	2,307,998
	<u>16,685,306</u>	<u>78,914,926</u>	<u>95,600,232</u>
Deferred Outflows of Resources:			
Deferred charge on refunding	-	1,347,733	1,347,733
Liabilities:			
Current liabilities:			
Accounts payable	43,299	200,409	243,708
Contracts payable	15,513	175,100	190,613
Accrued expenses	1,322	13,690	15,012
Compensated absences payable	37,652	267,224	304,876
Deposits	103,000	556,120	659,120
Internal balances	34,190	(34,190)	-
Payable from restricted assets:			
Accrued interest payable	-	375,913	375,913
Current portion of bonds payable	-	1,695,000	1,695,000
Noncurrent liabilities:			
Net OPEB obligation	18,517	107,860	126,377
Compensated absences payable	55,388	257,969	313,357
Bonds payable	-	35,280,000	35,280,000
	<u>308,881</u>	<u>38,895,095</u>	<u>39,203,976</u>
Net Position:			
Net investment in capital assets	7,107,234	16,280,303	23,387,537
Restricted for renewal and replacement	-	3,284,635	3,284,635
Restricted for debt service	-	1,307,202	1,307,202
Unrestricted	9,269,191	20,495,424	29,764,615
	<u>\$ 16,376,425</u>	<u>\$ 41,367,564</u>	<u>\$ 57,743,989</u>

The accompanying notes to basic financial statements are an integral part of these statements.

**Coral Springs Improvement District
Statement of Activities
For the Year Ended September 30, 2020**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/Programs:							
Governmental activities:							
General government	\$ 801,633	\$ -	\$ -	\$ -	\$(801,633)	\$ -	\$(801,633)
Physical environment	758,827	4,600	967,596	-	213,369	-	213,369
Provision for depreciation	360,897	-	-	-	(360,897)	-	(360,897)
Total governmental activities	<u>1,921,357</u>	<u>4,600</u>	<u>967,596</u>	<u>-</u>	<u>(949,161)</u>	<u>-</u>	<u>(949,161)</u>
Business-type activities:							
Personal services	5,014,646	75,891	-	-	-	(4,938,755)	(4,938,755)
Materials, supplies and services	2,601,573	13,055,020	-	-	-	10,453,447	10,453,447
Provision for depreciation	4,644,596	-	-	-	-	(4,644,596)	(4,644,596)
Interest expense	1,283,605	-	-	-	-	(1,283,605)	(1,283,605)
Total business-type activities	<u>13,544,420</u>	<u>13,130,911</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(413,509)</u>	<u>(413,509)</u>
Total primary government	<u>\$ 15,465,777</u>	<u>\$ 13,135,511</u>	<u>\$ 967,596</u>	<u>\$ -</u>	<u>(949,161)</u>	<u>(413,509)</u>	<u>(1,362,670)</u>
General revenues:							
Assessments					3,445,469	-	3,445,469
Interest income					93,371	252,583	345,954
Miscellaneous income					37,578	71,101	108,679
Total general revenues					<u>3,576,418</u>	<u>323,684</u>	<u>3,900,102</u>
Change in net position					2,627,257	(89,825)	2,537,432
Net position, October 1, 2019					13,749,168	41,457,389	55,206,557
Net position, September 30, 2020					<u>\$ 16,376,425</u>	<u>\$ 41,367,564</u>	<u>\$ 57,743,989</u>

The accompanying notes to basic financial statements are an integral part of these statements.

**Coral Springs Improvement District
Balance Sheet - Governmental Fund
September 30, 2020**

	General Fund
Assets:	
Cash and cash equivalents	\$ 4,615,908
Investments	4,952,500
Accounts receivable	5,000
Accrued interest receivable	1,664
Prepaid items	<u>3,000</u>
Total assets	\$ <u><u>9,578,072</u></u>
Liabilities:	
Accounts payable	\$ 43,299
Contracts payable	15,513
Accrued expenditures	1,322
Due to proprietary fund	34,190
Deposits	<u>103,000</u>
Total liabilities	<u>197,324</u>
Fund Balance:	
Nonspendable:	
Prepaid items	3,000
Assigned to:	
Capital projects	1,650,000
First quarter operating reserves	350,000
Emergency	250,000
Storm damage reserves	2,000,000
Unassigned	<u>5,127,748</u>
Total fund balance	<u>9,380,748</u>
Total liabilities and fund balance	\$ <u><u>9,578,072</u></u>

The accompanying notes to basic financial statements are an integral part of these statements.

**Coral Springs Improvement District
Reconciliation of the Balance Sheet of the Governmental Fund
to the Statement of Net Position
September 30, 2020**

Total Fund Balance - Governmental Fund \$ 9,380,748

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 fund.

Cost of capital assets	\$	15,159,234		
Less accumulated depreciation		<u>(8,052,000)</u>		7,107,234

Certain liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund.

Net OPEB obligation	\$	(18,517)		
Compensated absences payable		<u>(93,040)</u>		<u>(111,557)</u>

Net Position of Governmental Activities \$ 16,376,425

The accompanying notes to basic financial statements are an integral part of these statements.

**Coral Springs Improvement District
Statement of Revenues, Expenditures and Change in Fund Balance - Governmental Fund
For the Year Ended September 30, 2020**

	General Fund
	<u> </u>
Revenues:	
Assessments	\$ 3,445,469
Intergovernmental	967,596
Interest income	93,371
Miscellaneous income	37,578
Permit fees	4,600
	<u> </u>
Total revenues	<u>4,548,614</u>
Expenditures:	
Current:	
General government:	
Personal services	258,024
Operating	536,096
	<u> </u>
Total general government	<u>794,120</u>
Flood control:	
Personal services	437,972
Operating	320,855
	<u> </u>
Total flood control	<u>758,827</u>
Capital outlay	<u>352,003</u>
Total expenditures	<u>1,904,950</u>
Net change in fund balance	2,643,664
Fund Balance, October 1, 2019	<u>6,737,084</u>
Fund Balance, September 30, 2020	<u>\$ 9,380,748</u>

The accompanying notes to basic financial statements are an integral part of these statements.

**Coral Springs Improvement District
 Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balance of the Governmental Fund to the Statement of Activities
 For the Year Ended September 30, 2020**

Net Change in Fund Balance - Governmental Fund \$ 2,643,664

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.

Expenditures for capital assets	\$ 352,003	
Current year provision for depreciation	<u>(360,897)</u>	(8,894)

Some expenses reported in the statement of activities are not reported in the governmental funds because they have no effect on current financial resources.

Change in net OPEB obligation	\$ 266	
Change in compensated absences	<u>(7,779)</u>	<u>(7,513)</u>

Change in Net Position of Governmental Activities \$ 2,627,257

The accompanying notes to basic financial statements are an integral part of these statements.

**Coral Springs Improvement District
Statement of Revenues, Expenditures and Change in Fund Balance -
Budget and Actual - General Fund
For the Year Ended September 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Assessments	\$ 3,849,956	\$ 3,429,399	\$ 3,445,469	\$ 16,070
Intergovernmental	-	-	967,596	967,596
Interest income	20,000	20,000	93,371	73,371
Miscellaneous income	34,912	34,912	37,578	2,666
Permit fees	<u>1,000</u>	<u>1,000</u>	<u>4,600</u>	<u>3,600</u>
Total revenues	<u>3,905,868</u>	<u>3,485,311</u>	<u>4,548,614</u>	<u>1,063,303</u>
Expenditures:				
Current:				
General government:				
Personal services	267,009	267,009	258,024	8,985
Operating	<u>377,934</u>	<u>585,434</u>	<u>536,096</u>	<u>49,338</u>
Total general government	<u>644,943</u>	<u>852,443</u>	<u>794,120</u>	<u>58,323</u>
Flood control:				
Personal services	467,229	446,229	437,972	8,257
Operating	<u>499,546</u>	<u>359,546</u>	<u>320,855</u>	<u>38,691</u>
Total flood control	<u>966,775</u>	<u>805,775</u>	<u>758,827</u>	<u>46,948</u>
Capital outlay	<u>683,150</u>	<u>463,150</u>	<u>352,003</u>	<u>111,147</u>
Total expenditures	<u>2,294,868</u>	<u>2,121,368</u>	<u>1,904,950</u>	<u>216,418</u>
Excess (deficiency) of revenues over expenditures	<u>1,611,000</u>	<u>1,363,943</u>	<u>2,643,664</u>	<u>1,279,721</u>
Other Financing Sources (Uses):				
Appropriation of prior years' fund balance	-	247,057	-	(247,057)
Assigned for first quarter operating reserves	(361,000)	(361,000)	-	361,000
Assigned for capital projects and emergency	(250,000)	(250,000)	-	250,000
Assigned for storm damage reserves	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>-</u>	<u>1,000,000</u>
Total other financing sources (uses)	<u>(1,611,000)</u>	<u>(1,363,943)</u>	<u>-</u>	<u>1,363,943</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	2,643,664	<u>\$ 2,643,664</u>
Fund Balance, October 1, 2019			<u>6,737,084</u>	
Fund Balance, September 30, 2020			<u>\$ 9,380,748</u>	

The accompanying notes to basic financial statements are an integral part of these statements.

**Coral Springs Improvement District
Statement of Net Position - Proprietary Fund
September 30, 2020**

	<u>Water and Sewer Fund</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 9,019,456
Investments	10,252,829
Accounts receivable	1,352,131
Due from other governments	98,241
Due from general fund	34,190
Accrued interest receivable	3,774
Prepaid items	341,355
Restricted cash and cash equivalents	4,591,837
Noncurrent assets:	
Depreciable (net)	51,782,164
Nondepreciable	<u>1,473,139</u>
Total assets	<u>78,949,116</u>
Deferred Outflows of Resources:	
Deferred charge on refunding	<u>1,347,733</u>
Liabilities:	
Current liabilities:	
Accounts payable	200,409
Contracts payable	175,100
Accrued expenses	13,690
Compensated absences payable	267,224
Deposits	556,120
Payable from restricted assets:	
Accrued interest payable	375,913
Current portion of bonds payable	1,695,000
Noncurrent liabilities:	
Net OPEB obligation	107,860
Compensated absences payable	257,969
Bonds payable	<u>35,280,000</u>
Total liabilities	<u>38,929,285</u>
Net Position:	
Net investment in capital assets	16,280,303
Restricted for renewal and replacement	3,284,635
Restricted for debt service	1,307,202
Unrestricted	<u>20,495,424</u>
Total net position	<u>\$ 41,367,564</u>

The accompanying notes to basic financial statements are an integral part of these statements.

Coral Springs Improvement District
Statement of Revenues, Expenses and Change in Net Position - Proprietary Fund
For the Year Ended September 30, 2020

	<u>Water and Sewer Fund</u>
Operating Revenues:	
Charges for services:	
Water	\$ 6,676,415
Sewer	6,016,999
Contract personnel fees	75,891
Miscellaneous utility fees	248,103
Technology sharing fees	15,450
Rentals	<u>98,053</u>
Total operating revenues	<u>13,130,911</u>
Operating Expenses:	
Personal services	5,014,646
Materials, supplies and services	2,601,573
Provision for depreciation	<u>4,644,596</u>
Total operating expenses	<u>12,260,815</u>
Operating income	<u>870,096</u>
Nonoperating Revenues (Expenses):	
Interest income	252,583
Miscellaneous revenue	71,101
Interest expense	<u>(1,283,605)</u>
Total nonoperating revenues (expenses)	<u>(959,921)</u>
Change in net position	(89,825)
Net Position, October 1, 2019	<u>41,457,389</u>
Net Position, September 30, 2020	<u>\$ 41,367,564</u>

The accompanying notes to basic financial statements are an integral part of these statements.

**Coral Springs Improvement District
Statement of Cash Flows - Proprietary Fund
For the Year Ended September 30, 2020**

	<u>Water and Sewer Fund</u>
Cash Flows from Operating Activities:	
Cash received from customers and users	\$ 13,124,509
Cash paid to employees for services	(5,068,105)
Cash paid to suppliers for goods and services	<u>(3,003,912)</u>
Net cash provided by (used in) operating activities	<u>5,052,492</u>
Cash Flows from Noncapital Financing Activities:	
Cash received for miscellaneous activities	<u>71,101</u>
Net cash provided by (used in) noncapital financing activities	<u>71,101</u>
Cash Flows from Capital and Related Financing Activities:	
Interest paid and other fiscal charges	(1,177,757)
Bond principal payments	(1,640,000)
Purchase of capital assets	(1,514,914)
Purchase of investments	<u>5,913,095</u>
Net cash provided by (used in) capital and related financing activities	<u>1,580,424</u>
Cash Flows from Investing Activities:	
Interest received	<u>350,240</u>
Net cash provided by (used in) investing activities	<u>350,240</u>
Net increase (decrease) in cash and cash equivalents	7,054,257
Cash and Cash Equivalents, October 1, 2019	<u>6,557,036</u>
Cash and Cash Equivalents, September 30, 2020	\$ <u><u>13,611,293</u></u>
Cash and Cash Equivalents per Statement of Net Position:	
Unrestricted	\$ 9,019,456
Restricted	<u>4,591,837</u>
	\$ <u><u>13,611,293</u></u>

The accompanying notes to basic financial statements are an integral part of these statements.

**Coral Springs Improvement District
Statement of Cash Flows - Proprietary Fund (continued)
For the Year Ended September 30, 2020**

	<u>Water and Sewer Fund</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:	
Operating income	\$ <u>870,096</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Provision for depreciation	4,644,596
Changes in assets and liabilities:	
(Increase) decrease in assets:	
Accounts receivable	(5,652)
Due from other governments	(30,221)
Prepaid items	(30,837)
Due from general fund	(318)
Increase (decrease) in liabilities:	
Accounts payable	9,328
Contracts payable	(350,291)
Accrued expenses	(118,282)
Compensated absences payable	66,202
Deposits	(750)
Net OPEB obligation	<u>(1,379)</u>
Total adjustments	<u>4,182,396</u>
Net cash provided by (used in) operating activities	\$ <u><u>5,052,492</u></u>

The accompanying notes to basic financial statements are an integral part of these statements.

Note 1 - Organization and Operations

The Coral Springs Improvement District (the "District") was incorporated under the provisions of Chapter 70-617, Laws of Florida, for the purpose of constructing and maintaining systems of drainage, flood control and water and sewer utilities within the boundaries of the District. Its utilities currently service approximately 9,500 customers.

Note 2 - Summary of Significant Accounting Policies

The basic financial statements of the District have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The District's more significant accounting policies are described below.

Reporting entity: The criteria used for including component units consists of identification of legally separate organizations for which the Board of Supervisors of the District are financially accountable. This criteria also includes identification of organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's basic financial statements to be misleading or incomplete. Based upon this review, there were no potential component units of the District.

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The District has both governmental and business-type activities.

In the government-wide statement of net position, the governmental activities column is presented on a consolidated basis, if applicable, and is reported on a full-accrual, economic resource basis, which recognizes all noncurrent assets and receivables as well as all noncurrent debt and obligations. The effect of inter-fund activity has been eliminated from the government-wide financial statements.

The government-wide statement of activities reports both the gross and net cost of each of the District's functions. The net costs, by function, are also supported by general revenues, other revenue, etc. The statement of activities reduces gross expenses by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflect capital-specific grants.

This government-wide focus is more on the ability to sustain the District as an entity and the change in the District's net position resulting from the current year's activities.

The accounts of the District are organized on the basis of funds, each of which is considered to be 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 balance/net position, revenues and expenditures (expenses). The various funds are summarized by type in the basic financial statements. The following fund types are used by the District:

General Fund - The General Fund is established to account for all financial transactions not properly accounted for in another fund.

Water and Sewer Fund - The Water and Sewer Fund is a proprietary fund established to account for operations that are to be financed and operated in a manner similar to private business enterprises. The costs of providing services to customers are to be recovered primarily through user charges.

Note 2 - Summary of Significant Accounting Policies (continued)

Measurement focus, basis of accounting, and presentation: Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the basic financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied. Governmental funds use the current financial resources measurement focus and the government-wide statements use the economic resources measurement focus.

Governmental activity in the government-wide financial statements is presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The governmental fund is accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available for use. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers revenues available if they are collected within sixty days after year end. Expenditures are generally recognized when the liability is incurred, except that interest payable on debt is recognized only when due.

The Proprietary Fund uses the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when incurred.

Budgets and budgetary accounting: The District's annual budgets are adopted for the General Fund and Water and Sewer Fund and approved by the Board of Supervisors. The budget amounts presented in the accompanying basic financial statements are as originally adopted by the District's Board of Supervisors. Any amendments to the budget are reflected in the amended budget.

The General Fund budget is prepared on a basis consistent with generally accepted accounting principles (GAAP). This budget is a financial plan approved in the manner authorized by law, but not subject to appropriation.

Encumbrances: The District does not utilize encumbrance accounting.

Cash equivalents: For purposes of the statement of cash flows, the Water and Sewer Fund considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Investments: Investments are stated at their fair value, which is based on quoted market prices. Unrealized gains and losses in fair value are recognized. Certain investments are stated at amortized cost if they have a remaining maturity of one year or less when purchased.

Accounts receivable: Accounts receivable reflected in the Water and Sewer Fund consist of charges to customers for service including sewer revenues on services which have been rendered whether billed or not. No allowance for doubtful accounts is considered necessary.

Prepaid items: Certain payments reflect costs applicable to a future accounting period and are recorded as prepaid items in both the government-wide and fund financial statements.

Note 2 - Summary of Significant Accounting Policies (continued)

Capital assets: Capital assets, which include land, buildings, infrastructure, machinery and equipment and construction-in-progress, are reported in the governmental or business-type activities columns in the government-wide financial statements. All capital assets are valued at historical cost or estimated cost when actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. The District defines capital assets as assets with an initial individual cost of more than \$ 5,000 and an estimated useful life in excess of one year. Depreciation on all capital assets is charged to operations using the straight-line method over the assets' estimated service lives, ranging from 5 to 40 years.

The costs of normal maintenance and repairs that do not add to the value of the capital asset or materially extend its life are not capitalized.

Due to/from other funds: Short-term inter-fund advances, when applicable, are recorded by the advancing fund as a receivable with a corresponding payable recorded by the receiving fund. Repayments reduce the corresponding receivable and payable. Inter-fund balances are eliminated in the government-wide financial statements.

Deferred outflows/inflows of resources: In addition to assets, the statement of financial position will sometimes report 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 a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has one item that qualifies for reporting in this category. It is a deferred charge on refunding reporting in the proprietary fund and government wide statement of net position. A deferred charge on refunding results from the difference in carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report 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(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District does not have any items that qualify for reporting in this category.

Net position: Net position is classified in three categories. The general meaning of each is as follows:

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted - consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted - all other net position that do not meet the definition of "restricted" or "net investment in capital assets."

Fund balance: The District previously adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement requires that governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Note 2 - Summary of Significant Accounting Policies (continued)

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the revenue note and are restricted through debt covenants.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District Board of Supervisors (the "Board"). These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned: This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to the District manager through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

Unassigned: This classification includes the residual fund balance for the General Fund.

When the District has expenditures for which committed, assigned or unassigned fund balance is available, the District would consider committed funds to be spent first, then assigned funds and lastly unassigned funds.

Property tax calendar (assessments): Property tax assessments are validated with the Broward County Property Appraiser and collected by the Broward County Tax Collector. The key dates in the property tax cycle are as follows:

Preceding Fiscal Year:

Enforceable lien date	January 1
Tax roll validated	June 1 and July 1
Taxes levied	November 1

Current Fiscal Year:

Beginning of fiscal year for which taxes have been levied	October 1
Tax bills rendered	Prior to November 1
Tax due date	March 31
Delinquent tax lien	April 1
Tax certificates sold	On or before June 1

Note 2 - Summary of Significant Accounting Policies (continued)

Use of estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Date of management review: Subsequent events were evaluated by management through January 12, 2021, which is the date the financial statements were available for issuance.

Note 3 - Deposits and Investments

Deposits: The District’s deposits must be placed with banks and savings and loans which are qualified as public depositories prior to receipt of public monies under Chapter 280, Florida Statutes. These deposits are insured by the FDIC up to \$ 250,000. Monies deposited in amounts greater than the insurance coverage are secured by the banks pledging securities with the State Treasurer in the collateral pool. At year end, the carrying amount of the District’s bank deposits was \$ 6,119,666 and the bank balance was \$ 6,435,554. In addition, the District had \$ 10,500 in petty cash.

Investments: The investment of funds is authorized by Florida Statutes, which allows the District to invest in the Local Government Surplus Funds Trust or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, SEC registered money market funds with the highest credit quality rating, interest-bearing time deposits or savings accounts in qualified public depositories and direct obligations of the United States Treasury. Certain investments of the proprietary fund are governed by Bond Indentures.

Investments as of September 30, 2020 were as follows:

	Investments Measured at Amortized Cost	Maturity
	<u>Cost</u>	<u>Maturity</u>
Money Market mutual funds	\$ 12,097,035	N/A
State Board of Administration:		
Florida Prime	401,905	48 days
Florida Class	401,004	51 days
Florida Fit	402,420	17 days
Certificates of Deposit	<u>14,000,000</u>	12/1/2020
	<u>\$ 27,302,364</u>	

These deposits and investments are reflected in the accompanying statement of net position as cash and cash equivalents of \$ 18,227,201 and investments of \$ 15,205,329.

Credit risk: Florida Statutes require the money market mutual funds held by the District to have the highest credit quality rating from a nationally recognized rating agency. The State Board of Administration funds held by the District are rated AAAM by Standard and Poor's.

**Coral Springs Improvement District
Notes to Basic Financial Statements
September 30, 2020**

Note 3 - Deposits and Investments (continued)

Interest rate risk: Florida Statutes state that the investment portfolio be structured in such a manner as to provide sufficient liquidity to pay obligations as they come due. The District's investments are not subject to interest rate risk.

Custodial credit risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. None of the District's investments are subject to custodial credit risk.

Restricted cash and cash equivalents: The proprietary fund maintains cash and cash equivalents restricted for the following purposes:

Future debt service	\$ 1,307,202
Renewal and replacement of capital assets	<u>3,284,635</u>
Total restricted cash and cash equivalents	<u>\$ 4,591,837</u>

Note 4 - Capital Assets

The following is a schedule of changes in capital assets during the year ended September 30, 2020:

	Balance, October 1, 2019	Additions	Deletions	Transfers	Balance, September 30, 2020
Governmental Activities:					
Capital assets, not being depreciated:					
Construction in progress	\$ 28,180	\$ 253,479	\$ -	\$ -	\$ 281,659
Land	<u>553,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>553,200</u>
Total capital assets, not being depreciated	<u>581,380</u>	<u>253,479</u>	<u>-</u>	<u>-</u>	<u>834,859</u>
Capital assets, being depreciated:					
Infrastructure	13,380,138	78,694	-	-	13,458,832
Machinery and equipment	<u>845,713</u>	<u>19,830</u>	<u>-</u>	<u>-</u>	<u>865,543</u>
Total capital assets, being depreciated	<u>14,225,851</u>	<u>98,524</u>	<u>-</u>	<u>-</u>	<u>14,324,375</u>
Less accumulated depreciation for:					
Infrastructure	6,969,942	329,217	-	-	7,299,159
Machinery and equipment	<u>721,161</u>	<u>31,680</u>	<u>-</u>	<u>-</u>	<u>752,841</u>
Total accumulated depreciation	<u>7,691,103</u>	<u>360,897</u>	<u>-</u>	<u>-</u>	<u>8,052,000</u>
Total capital assets, being depreciated, net	<u>6,534,748</u>	<u>(262,373)</u>	<u>-</u>	<u>-</u>	<u>6,272,375</u>
Governmental activities capital assets, net	<u>\$ 7,116,128</u>	<u>\$ (8,894)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,107,234</u>

**Coral Springs Improvement District
Notes to Basic Financial Statements
September 30, 2020**

Note 4 - Capital Assets (continued)

	Balance, October 1, 2019	Additions	Deletions	Transfers	Balance, September 30, 2020
Business-Type Activities:					
Capital assets, not being depreciated:					
Construction in progress	\$ 1,484,955	\$ 850,393	\$ -	\$ (1,618,946)	\$ 716,402
Easement	394,998	-	-	-	394,998
Land	361,739	-	-	-	361,739
Total capital assets, not being depreciated	<u>2,241,692</u>	<u>850,393</u>	<u>-</u>	<u>(1,618,946)</u>	<u>1,473,139</u>
Capital assets, being depreciated:					
Infrastructure	135,256,201	412,912	-	1,618,946	137,288,059
Buildings	1,632,892	-	-	-	1,632,892
Machinery and equipment	4,871,191	251,609	-	-	5,122,800
Total capital assets, being depreciated	<u>141,760,284</u>	<u>664,521</u>	<u>-</u>	<u>1,618,946</u>	<u>144,043,751</u>
Less accumulated depreciation for:					
Infrastructure	83,201,562	4,172,610	-	-	87,374,172
Buildings	1,486,724	14,339	-	-	1,501,063
Machinery and equipment	2,928,705	457,647	-	-	3,386,352
Total accumulated depreciation	<u>87,616,991</u>	<u>4,644,596</u>	<u>-</u>	<u>-</u>	<u>92,261,587</u>
Total capital assets, being depreciated, net	<u>54,143,293</u>	<u>(3,980,075)</u>	<u>-</u>	<u>1,618,946</u>	<u>51,782,164</u>
Business-type activities capital assets, net	<u>\$ 56,384,985</u>	<u>\$ (3,129,682)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,255,303</u>

Provision for depreciation was charged to functions as follows:

Total provision for depreciation - governmental activities	\$ <u>360,897</u>
Total provision for depreciation - business-type activities	\$ <u>4,644,596</u>

Note 5 - Commitments

The District has various ongoing construction contracts. As of September 30, 2020, commitments on uncompleted construction contracts totaled approximately \$ 532,000.

Note 6 - Debt

a. Summary of debt of business-type activities:

Debt at September 30, 2020 included the following:

\$ 42,830,000 Series 2016 Water and Sewer Refunding Revenue Bonds, due in annual installments through June 2031, at which time a balloon payment of \$ 17,530,000 plus interest will be due; interest is payable semi-annually at a fixed rate of 3.05%.	\$ <u>36,975,000</u>
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**Coral Springs Improvement District
Notes to Basic Financial Statements
September 30, 2020**

Note 6 - Debt (continued)

The following is a summary of the changes that occurred in the Water and Sewer Fund debt during the year ended September 30, 2020:

	Balance, October 1, 2019	Additions	Deletions	Balance, September 30, 2020	Due Within One Year	Provision for Amortization
Series 2016 Bond	\$ 38,615,000	\$ -	\$ 1,640,000	\$ 36,975,000	\$ 1,695,000	\$ 122,521
	<u>\$ 38,615,000</u>	<u>\$ -</u>	<u>\$ 1,640,000</u>	<u>\$ 36,975,000</u>	<u>\$ 1,695,000</u>	<u>\$ 122,521</u>

b. Summary of significant bond terms of business-type activities:

The Bonds are payable from the net revenues of the water and sewer system of the District. The District covenants to maintain utility rates which will be sufficient to pay its operating expenses and 110% of the annual required principal and interest on the Bonds. The Bondholder requires the District to maintain deposits with a minimum required balance of \$ 3,000,000. The Series 2016 Bonds maturing after June 1, 2026 are subject to redemption prior to maturity at the option of the District. The Series 2016 Bonds maturing through June 1, 2031 are subject to mandatory sinking fund redemption as outlined in the Bond Indenture. In addition, the Bonds established a Renewal and Replacement Fund as discussed in Note 7.

c. The annual debt service requirements are as follows:

Year Ending September 30,	Principal	Interest	Total
2021	\$ 1,695,000	\$ 1,127,736	\$ 2,822,736
2022	1,745,000	1,076,040	2,821,040
2023	1,795,000	1,022,818	2,817,818
2024	1,850,000	968,070	2,818,070
2025	1,910,000	911,646	2,821,646
2026-2030	10,450,000	3,648,866	14,098,866
2031	<u>17,530,000</u>	<u>534,664</u>	<u>18,064,664</u>
	<u>\$ 36,975,000</u>	<u>\$ 9,289,840</u>	<u>\$ 46,264,840</u>

Note 7 - Restricted Net Position

Proprietary Fund: The 2016 Series Bonds established a Renewal and Replacement Account to be used for the purpose of paying the costs of nonrecurring maintenance expenditures, extensions, improvements or additions to, or the replacement of the water and sewer system. The minimum required balance for the Renewal and Replacement Account is \$ 1,000,000. The balance in the Renewal and Replacement Account at September 30, 2020 was \$ 3,284,635 which is reflected as restricted net position in the accompanying statement of net position for the proprietary fund.

Note 8 - Compensated Absences Payable

Employees of the District accumulate unused sick and vacation time up to a specified number of hours depending on the employee's length of employment. Accumulated sick and vacation time can be redeemed in cash at retirement. The accumulated liability for the unused compensated absences at September 30, 2020 of the General Fund is considered to be payable from future resources and, accordingly, is only recorded in the governmental activities column of the statement of net position.

The following is a schedule of the changes in compensated absences of the governmental activities:

Balance, October 1, 2019	Net Increase (Decrease)	Balance, September 30, 2020	Due Within One Year
\$ <u>85,261</u>	\$ <u>7,779</u>	\$ <u>93,040</u>	\$ <u>37,652</u>

The following is a schedule of the changes in compensated absences of the Proprietary Fund:

Balance, October 1, 2019	Net Increase (Decrease)	Balance, September 30, 2020	Due Within One Year
\$ <u>458,991</u>	\$ <u>66,202</u>	\$ <u>525,193</u>	\$ <u>267,224</u>

Note 9 - Retirement Plan

The District has a defined contribution pension plan qualified under Sections 401(a), 403(a), and 501(a) of the Internal Revenue Code. The Plan is administered by independent trustees. All employees who meet the three consecutive months of employment are qualified to participate. All contributions to the plan are fully funded through employer contributions. Total salaries for the year were \$ 3,939,691. Total salaries of qualified participants were \$ 3,843,926. Each participant's non-forfeitable percentage of his employer's contribution account relating to contributions up to 6% of compensation increases (vests) at 20% for each year of plan participation. The remainder of the employer's contribution account for contributions in excess of 6% of compensation, increases (vests) immediately.

The District has a deferred compensation plan qualified under Section 457(b) of the Internal Revenue code. The Plan is administered by an independent trustee. All full-time employees who meet the three consecutive months of employment and are of 18 years of age are qualified to participate. All contributions to the plan are fully funded through employee payroll deduction. Total salaries for the year were \$ 3,939,691. Total salaries of qualified participants were \$ 3,843,693.

Employer contributions for the year, less forfeitures from terminated employees, totaled \$ 454,239 and are included in personal services of the General and Water and Sewer Funds.

Note 10 - Post-Employment Benefits

Plan Description

The District provides post-employment health insurance benefits, also known as other postemployment benefits (“OPEB”) to its retired employees through a single-employer plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the District or its major component unit and eligible dependents may continue to participate in the District’s fully-insured benefit plan for medical insurance coverage. The District subsidizes the premium rates paid by retirees by allowing them to participate in the plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The benefits provided under this defined benefit plan are provided until the retiree’s attainment of age 65 (or until such time at which retiree discontinues coverage under the District sponsored plans, if earlier). There are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statements No. 75 and as a result, there is no separate financial report issued.

As of the September 30, 2019 actuarial valuation, there were 55 active plan members and no inactive members currently receiving benefits or entitled to but not yet receiving benefits.

Funding Policy

Currently, the District’s Other Post-Employment Benefits are unfunded. That is, 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. Current and future retirees will be required to pay 100% of the blended premium to continue coverage under the District’s group health insurance program.

Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each Alternative Measurement Method (“AMM”) calculation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. As authorized by GASB Statement No. 75, the AMM allows the employer to use simplifications of certain assumptions in measuring the costs and liabilities.

The following simplifying assumptions were made:

- Actuarial cost method - Entry Age Normal
- Inflation rate - 2.25%
- Discount rate - 2.75%
- Salary increases - 3.50%

Note 10 - Post-Employment Benefits (continued)

Retirement age for active employees - Earlier of age 62 with at least 6 years of service, or at least 30 years of service at any age; participants who have attained such age as of the valuation date are assumed to retire one year after the valuation date.

Active Member Marital Status - Assumption of marital status for active employees has been incorporated in the acceptance probability for spousal coverage. Using this approach, the percentage of future retired plan members taking spousal coverage was assumed at 0%. For active employees, spouses' genders were assumed to be opposite to the members' genders and females were assumed 3 years younger than their spouses. Covered spouse data were collected for current retired plan members as of the valuation date and were assumed to remain unchanged until the assumed death of the spouses.

Mortality - Life expectancies were based on the RP-2000 Generational Combined Healthy Participant mortality tables, projected from the year 2000 using Projection Scale AA.

Healthcare Cost Trend Rates - 4.90% for the fiscal year beginning 2020, 6.25% for fiscal year beginning 2021 and then gradually decreasing to an ultimate trend rate of 4.00%.

Turnover - Non-group-specific age-based turnover rates derived from the withdrawal assumption used in the July 1, 2018 actuarial valuation of the Florida Retirement System for Regular Class members were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

Health insurance premiums - Health insurance premiums for retirees in effect at October 1, 2019 were used as the basis for calculation of the present value of total benefits to be paid.

Assumption Changes - The discount rate was changed from 3.83% as of the previous measurement period to 2.75% as of September 30, 2019. Premiums were updated based on information provided. Healthcare cost trends rates were updated as described above. These changes increased the Total OPEB Liability.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate: The following presents the plan's total OPEB liability, calculated using a discount rate of 2.75%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	1% Decrease 1.75%	Current Discount Rate Assumption 2.75%	1% Increase 3.75%
Net OPEB Liability	\$ <u>138,715</u>	\$ <u>126,377</u>	\$ <u>114,407</u>

Note 10 - Post-Employment Benefits (continued)

Sensitivity of Net OPEB Liability to Changes in the Healthcare Cost Trends Rate: The following presents the plan’s total OPEB liability, calculated using the assumed trend rates as well as what the plan’s total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

	<u>1% Decrease</u>	Current Healthcare Cost Trend Rate <u>Assumption</u>	<u>1% Increase</u>
Net OPEB Liability	\$ <u>109,174</u>	\$ <u>126,377</u>	\$ <u>147,066</u>

Note 11 - Risk Management

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters. The District carries commercial insurance to handle these various risks of losses.

Claims, expenditures, and liabilities would have been reported if it were probable that a loss in excess of policy limits had occurred and the amount of that loss could be reasonably estimated.

Note 12 - Uncertainties

The coronavirus (COVID-19) outbreak has caused disruption in international and U.S. economies and markets. The coronavirus and fear of further spread has caused quarantines, cancellation of events, and overall reduction in business and economic activity. On March 11, 2020, the *World Health Organization* designated the coronavirus outbreak as a pandemic. Management and the Board of Supervisors continue to evaluate and monitor the potential adverse effect that this event may have on the District’s financial position, operations and cash flows. The full impact of COVID-19 is unknown at this time and cannot be reasonably estimated as these events are still developing.

REQUIRED SUPPLEMENTAL INFORMATION



**Coral Springs Improvement District
Required Supplementary Information
Schedule of Changes in the Net OPEB Liability and Related Ratios
Other Post-Employment Benefits (OPEB) Plan
(Unaudited)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability:			
Service cost	\$ 11,087	\$ 11,287	\$ 11,663
Interest on the total OPEB liability	5,328	4,449	3,592
Difference between expected and actual experience	(32,807)	-	-
Changes in assumption and other inputs	<u>14,747</u>	<u>(3,542)</u>	<u>(3,641)</u>
Net Change in Total OPEB Liability	(1,645)	12,194	11,614
Total OPEB Liability - Beginning	<u>128,022</u>	<u>115,828</u>	<u>104,214</u>
Total OPEB Liability - Ending	\$ <u><u>126,377</u></u>	\$ <u><u>128,022</u></u>	\$ <u><u>115,828</u></u>
Covered-employee Payroll *	\$ 3,568,166	\$ 3,395,535	\$ 3,438,220
District's Net OPEB Liability as Percentage of Covered-employee Payroll	3.54%	3.77%	3.37%

Note: This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the OPEB plan will present information for those years for which the information is available.

* Covered payroll is for the calendar year period used for the actuarial valuation.

**Coral Springs Improvement District
Required Supplementary Information
Schedule of District Contributions
Other Post-Employment Benefits (OPEB) Plan
(Unaudited)**

The District does not currently contribute to the OPEB Plan and therefore there is no funding schedule.

OTHER FINANCIAL INFORMATION

Coral Springs Improvement District
Schedule of Operating Expenses by Department - Proprietary Fund
For the Year Ended September 30, 2020

	<u>Water and Sewer Fund</u>
Administrative Operations:	
Personal services	\$ 1,511,823
Materials, supplies and services	495,795
Provision for depreciation	<u>34,274</u>
Total administrative operations	<u>2,041,892</u>
Plant Operations:	
Personal services	2,432,338
Materials, supplies and services	1,693,454
Provision for depreciation	<u>3,683,285</u>
Total plant operations	<u>7,809,077</u>
Field Operations:	
Personal services	1,070,485
Materials, supplies and services	412,324
Provision for depreciation	<u>927,037</u>
Total field operations	<u>2,409,846</u>
Total operating expenses	<u>\$ 12,260,815</u>

OTHER REPORTS OF
INDEPENDENT AUDITORS



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

The Board of Supervisors
Coral Springs Improvement District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of Coral Springs Improvement 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, and have issued our report thereon dated January 12, 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



KEEFE McCULLOUGH

Fort Lauderdale, Florida
January 12, 2021

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Board of Supervisors
Coral Springs Improvement District

Report on Compliance for Each Major Federal Program

We have audited Coral Springs Improvement District's (the "District") compliance with the type of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal program for the year ended September 30, 2020. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statues, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those Standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be considered material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



KEEFE McCULLOUGH

Fort Lauderdale, Florida
January 12, 2021

INDEPENDENT AUDITOR'S REPORT TO DISTRICT MANAGEMENT

The Board of Supervisors
Coral Springs Improvement District

Report on the Financial Statements

We have audited the financial statements of Coral Springs Improvement District (the "District"), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated January 12, 2021.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated January 12, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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 findings and recommendations made in the preceding annual financial audit report.

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Official Title and Legal Authority

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 this management letter, unless disclosed in the notes to the financial statements. Coral Springs Improvement District was established under the laws of the State of Florida in Chapter 70-617, as amended. The District does not have any component units.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify 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(8), Rules of the Auditor General, we applied financial condition assessment procedures for the District. 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.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Monthly Financial Statements

Section 10.554(1)(i)6.a and 10.556(9), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the District provided monthly financial statement(s) to its governing board and made such monthly statement(s) available for public access on its Web site. In connection with our audit, we determined that the District provided monthly financial statement(s) to its governing board and made such monthly statement(s) available for public access on its Web site.

Transparency

Section 10.554(1)(i)6.b. and 10.556(9), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the District provided a link on its Web site to the Florida Department of Financial Service's Web site to view the District's annual financial report submitted to the Department. In connection with our audit, we determined that the District provided a link on its Web site to the Florida Department of Financial Service's Web site.

Section 10.554(1)(i)6.c. and 10.556(9), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the District posted its tentative and final budgets on its Web site. In connection with our audit, we determined that the District posted its tentative and final budgets on its Web site.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Coral Springs Improvement District

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Supervisors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



KEEFE McCULLOUGH

Fort Lauderdale, Florida
January 12, 2021

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

To the Board of Supervisors,
Coral Springs Improvement District

We have examined Coral Springs Improvement District (the "District") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2020. Management is responsible for the District's compliance with the specific requirements. Our responsibility is to express an opinion on the District's compliance with the specific requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the District's compliance with the specified requirements.

In our opinion, the 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 management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Keefe McCullough

KEEFE McCULLOUGH

Fort Lauderdale, Florida
January 12, 2021

CPA's + Trusted Advisors

**Coral Springs Improvement District
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2020**

Federal Agency, Pass-through Entity, Federal Program	CFDA Number	Contract/Grant Number	Expenditures	Transfers to Sub-recipients
Federal Agency Name: Indirect Programs: United States Department of Homeland Security - Passed through the Florida Division of Emergency Management - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z1120	\$ 869,319	\$ -
Total Expenditures of Federal Awards			\$ 869,319	\$ -

See notes to schedule of expenditures of federal awards.

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of Coral Springs Improvement District (the "District"). The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, as well as other applicable provisions of contracts and grant agreements, wherein certain types of expenditures are not allowable or are limited as to reimbursement, as applicable.

Note 3 - Indirect Cost Rate

The District did not elect to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4 - Contingency

The grant and contract revenue received is subject to audit and adjustment. If any expenditures or expenses are disallowed by the grantor agencies as a result of such an audit, any claim for reimbursement to the grantor/contract agencies would become a liability of the District. In the opinion of management, all grant and contract expenditures are in compliance with the terms and conditions of the grant agreements and applicable federal/state laws and other applicable regulations.

Note 5 - Prior Year Expenditures

The Schedule includes financial assistance from the U.S. Department of Homeland Security in the amount of \$ 869,319 that represents expenditures from the 2018 fiscal year.

**Coral Springs Improvement District
Schedule of Findings and Questioned Costs
September 30, 2020**

A. Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on the basic financial statements of Coral Springs Improvement District.
2. No material weaknesses relating to the audit of the basic financial statements are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Coral Springs Improvement District were disclosed during the audit.
4. No material weaknesses relating to the audit of the major federal programs are reported in the Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal programs for Coral Springs Improvement District expresses an unmodified opinion.
6. No audit findings relative to the major federal programs for Coral Springs Improvement District, are reported in Part C of this schedule.
7. The program/project tested as major program/project include the following:

<u>Federal Program:</u>	<u>CFDA No.</u>
U.S. Department of Homeland Security - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036

8. The threshold used to distinguish between Type A and Type B for federal programs was \$ 750,000.
9. The District was determined to not be a low-risk auditee pursuant to the Uniform Guidance.

B. Findings - Financial Statements Audit

No matters are reported.

C. Findings and Questioned Costs - Major Federal Programs

No matters are reported.

D. Other Issues

1. A separate management letter was not issued.
2. No summary schedule of prior audit findings is required because there were no prior audit findings related to federal programs.
3. No corrective action plan is required because there were no findings reported under the Uniform Guidance.