

**DEVIL'S GARDEN WATER CONTROL DISTRICT**  
**BASIC FINANCIAL STATEMENTS**  
**TOGETHER WITH ADDITIONAL REPORTS**  
**YEAR ENDED**  
**September 30, 2020**

**TABLE OF CONTENTS**

	<u>Page(s)</u>
<b>INDEPENDENT AUDITOR'S REPORT</b> .....	1 - 3
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&amp;A)</b> .....	4 - 8
 <b><u>BASIC FINANCIAL STATEMENTS</u></b>	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
Statement of Net Position.....	9
Statement of Activities.....	10
FUND FINANCIAL STATEMENTS:	
Governmental Funds:	
Balance Sheet.....	11
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position.....	12
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.....	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds to the Statement of Activities.....	14
NOTES TO THE FINANCIAL STATEMENTS.....	15 - 26
 <b><u>REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&amp;A</u></b>	
BUDGET TO ACTUAL COMPARISON - MAJOR FUND (General Fund)	
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund - Summary Statement.....	27
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund - Detailed Statement.....	28
 <b><u>ADDITIONAL REPORTS</u></b>	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial Statements Performed in Accordance with <u>Government Auditing Standards</u> .....	29 - 30
Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes.....	31
Independent Auditor's Report to Management.....	32 - 34
Management's Response to Independent Auditor's Report to Management.....	Exhibit



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American Institute of Certified Public Accountants

Private Companies Practice Section

Tax Division

**INDEPENDENT AUDITOR'S REPORT**

Board of Supervisors  
Devil's Garden Water Control District  
1555 Palm Beach Lakes Boulevard  
West Palm Beach, Florida 33401

**Report on the Financial Statements**

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

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Devil's Garden Water Control District as of September 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis ("MD&A") on pages 4 - 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information - management discussion and analysis (MD&A) in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the required supplementary information - management's discussion and analysis (MD&A) 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 an opinion on the financial statements that collectively comprise the Devil's Garden Water Control District's basic financial statements. The required supplementary information other than the MD&A - budgetary comparison information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The required supplementary information other than the MD&A - budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the required

supplementary information other than MD&A - budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The Exhibit - Management's Response to Independent Auditor's Report to Management is not a required part of the basic financial statements but is required by Government Auditing Standards. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by Section 218.415, Florida Statutes**

In accordance with Section 218.415, Florida Statutes, we have also issued a report dated May 12, 2021 on our consideration of Devil's Garden Water Control District's compliance with provisions of Section 218.415, Florida Statutes. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and to provide an opinion on compliance with the aforementioned Statute. That report is an integral part of an audit performed in accordance with Sections 218.39 and 218.415, Florida Statutes in considering Devil's Garden Water Control District's compliance with Section 218.415, Florida Statutes.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated May 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 other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.



TUSCAN & COMPANY, P.A.  
Fort Myers, Florida  
May 12, 2021

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

## Management's Discussion and Analysis

Devil's Garden Water Control District's (the "District") discussion and analysis is designed to offer readers of the District's financial statements a narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2020. Readers are encouraged to read the Management's Discussion and Analysis in conjunction with the District's financial statements, which begin on page 9.

### Financial Highlights

- \* Total revenues decreased by \$43,274 or 15% in fiscal year 2020 as compared to fiscal year 2019. The decrease is attributable to decrease in levied maintenance tax in fiscal year 2020 from \$3.25 per acre to \$3.00 per acre.
- \* Total expenses increased by \$5,171 or 3% in fiscal year 2020 as compared to fiscal year 2019. The increase in expenses was due to an increase in canal repairs and maintenance and spraying.
- \* Total revenues increased by \$18,832 or 7% in fiscal year 2019 as compared to fiscal year 2018. The increase is attributable to reimbursement by Alico, Inc. for legal fees incurred.
- \* Total expenses increased by \$42,148 or 28% in fiscal year 2019 as compared to fiscal year 2018. The increase in expenses was due to an increase in engineering and legal due to the Alico water project and ditch and canal cleaning.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by non ad valorem maintenance tax assessments. The governmental activity of the District is water control.

The government-wide financial statements can be found on pages 9 and 10 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

*Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains a general fund, its only fund, which is considered to be a major fund. Information for the general fund is presented separately for this fund in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance.

The District adopts an annual appropriated budget for its general fund. To demonstrate compliance with the adopted budget, budgetary comparison statements have been provided for all funds as *required supplementary information other than MD&A*. Required supplementary information other than MD&A can be found on pages 27 through 28 of this report.

The basic governmental fund financial statements can be found on pages 11 and 13 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15 through 26 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$1,706,161 and \$1,657,570 as of September 30, 2020 and 2019, respectively.

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$1,657,570 and \$1,560,534 as of September 30, 2019 and 2018, respectively.

As of September 30, 2019, approximately 48% of the District's Net Position is net investment in capital assets consisting of canals, pumps and culverts used in water management of \$793,005. The District uses these capital assets to carry out its statutory responsibilities; consequently, these assets are not available for future spending.

As of September 30, 2020, approximately 46% of the District's Net Position is net investment in capital assets consisting of canals, pumps and culverts used in water management of \$781,653. The District uses these capital assets to carry out its statutory responsibilities; consequently, these assets are not available for future spending.



The remaining unrestricted net position balance of \$924,508 and \$864,565 may be used to meet the District's ongoing obligations to citizens and creditors as of September 30, 2020 and 2019, tively.

Following is a summary of the District's net position as found on page 9 of this report:

**Devil's Garden Water Control District's Net Position  
September 30**

	Governmental Activities		
	2020	2019	2018
<b>Assets:</b>			
Current assets	\$ 954,832	\$ 878,148	\$ 758,832
Capital Assets	781,653	793,005	804,357
<b>Total Assets</b>	<b>\$ 1,736,485</b>	<b>\$ 1,671,153</b>	<b>\$ 1,563,189</b>
<b>Liabilities:</b>			
Current and other liabilities	\$ 30,324	\$ 13,583	\$ 2,655
<b>Total Liabilities</b>	<b>30,324</b>	<b>13,583</b>	<b>2,655</b>
<b>Net Position:</b>			
Net investment in capital assets	781,653	793,005	804,357
Unrestricted	924,508	864,565	756,177
<b>Total Net Position</b>	<b>1,706,161</b>	<b>1,657,570</b>	<b>1,560,534</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 1,736,485</b>	<b>\$ 1,671,153</b>	<b>\$ 1,563,189</b>

At the end of fiscal years 2020, 2019, and 2018, the District was able to report positive net position.

**Governmental activities.** The District's net position increased by \$48,591 and \$97,036 in fiscal years 2020 and 2019, respectively. Net position was \$1,706,161, \$1,657,570 and \$1,560,534 at the end of fiscal years 2020, 2019, and 2018, respectively.

The District's net position increased by \$97,036 and \$120,352 in fiscal years 2019 and 2018, respectively. Net position was \$1,657,570, \$1,560,534 and \$1,440,182 at the end of fiscal years 2019, 2018, and 2017, respectively.

The following is a summary of the information presented in the statement of activities found on page 10 of this report:

**Devil's Garden Water Control District's Changes in Net Position  
For the year ended September 30**

	Governmental Activities		
	2020	2019	2018
<b>Revenues:</b>			
<b>General revenues:</b>			
Non-ad valorem assessments	\$ 230,830	\$ 267,260	\$ 267,119
Other	17,051	23,895	5,204
<b>Total Revenues</b>	<b>247,881</b>	<b>291,155</b>	<b>272,323</b>
<b>Expenses:</b>			
General government administration	65,399	72,760	41,281
Water control	133,891	121,359	110,690
<b>Total Expenses</b>	<b>199,290</b>	<b>194,119</b>	<b>151,971</b>
Increase (decrease) in net position	48,591	97,036	120,352
Net position - beginning	1,657,570	1,560,534	1,440,182
<b>Net position - ending</b>	<b>\$ 1,706,161</b>	<b>\$ 1,657,570</b>	<b>\$ 1,560,534</b>

## Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the District's *governmental funds* 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 government's net resources available for spending at the end of the fiscal year. The District has only one governmental fund - the general fund.

At September 30, 2020, the District's governmental funds, consisting entirely of the general fund, reported an ending fund balance of \$924,508, an increase of \$59,943 as compared with the prior year. Of the District's fund balance, \$5,824 is classified as nonspendable and \$250,000 has been assigned by the District's Board of Supervisors for emergency purposes. The remaining fund balance of \$668,684 is classified as unassigned and is available for spending at the District's discretion.

At September 30, 2019, the District's governmental funds, consisting entirely of the general fund, reported an ending fund balance of \$864,565, an increase of \$108,388 as compared with the prior year. Of the District's fund balance, \$5,657 is classified as nonspendable and \$250,000 has been assigned by the District's Board of Supervisors for emergency purposes. The remaining fund balance of \$608,908 is classified as unassigned and is available for spending at the District's discretion.

At September 30, 2018, the District's governmental funds, consisting entirely of the general fund, reported an ending fund balance of \$756,177, a increase of \$131,704 as compared with the prior year. Of the District's fund balance, \$6,293 is classified as nonspendable and \$250,000 has been assigned by the District's Board of Supervisors for emergency purposes. The remaining fund balance of \$499,884 is classified as unassigned and is available for spending at the District's discretion.

### General Fund Budgetary Highlights

The District's general fund FY 20 budget was amended during the fiscal year to increase carryforward amounts to the audited FY 19 balance. There were no significant variances in the amounts recognized as revenues compared with the amounts budgeted for revenues in fiscal year 2020.

For the year ended September 30, 2020, the significant variances in actual expenditures when compared with budgeted expenditures were as follows:

- \* Legal and engineering were over budget due to continuation of planning the Alico water disbursement project.
- \* Canal Usage - The District budgeted \$91,524 for canal maintenance but spent \$56,621 during the year ended September 30, 2020 which resulted in a budget variance of \$34,903.

For the year ended September 30, 2019, the significant variances in actual expenditures when compared with budgeted expenditures were as follows:

- \* General and Administrative - Legal Fees - The District budgeted \$18,900 for legal fees in fiscal year 2019; however, actual costs were \$34,621 for the period. The unfavorable variance was due to expenses incurred for certain issues related to allowable use of land owned by Alico, Inc. Alico, Inc. reimbursed the District for those costs incurred in the amount of \$16,123.
- \* Canal Maintenance - The District budgeted \$100,000 for field operations-canal maintenance in fiscal year 2019; however, incurred a total of \$43,111 resulting in a favorable variance of \$56,889. The favorable variance is due to the District not having to spray canals during fiscal year 2019.

For the year ended September 30, 2018, the significant variances in actual expenditures when compared with budgeted expenditures were as follows:

Repair and maintenance were approximately \$33,104 less than budgeted due to less need for repairs.

**Capital Asset and Debt Administration**

**Capital assets.** The District's investment in capital assets, net of accumulated depreciation, as of September 30, 2020, 2019 and 2018 was \$781,653, \$793,005, and \$804,357, respectively. Capital assets include canals, water pumps and culverts necessary to control the water flow within the District. Capital asset purchases were \$0, \$0, and \$0, in fiscal years 2020, 2019 and 2018, respectively.

**Devil's Garden Water Control District's Capital Assets**  
(net of depreciation)  
September 30

	Governmental Activities		
	2020	2019	2018
Canals	\$ 640,000	\$ 640,000	\$ 640,000
Culverts, net	141,653	153,005	164,357
Total Assets	\$ 781,653	\$ 793,005	\$ 804,357

Additional information on the District's capital assets can be found in Note 3 on page 24 of this report.

**Long Term Debt**

The District had no long term debt outstanding at September 30, 2020, 2019 and 2018, respectively.

**Economic Factors**

The District will continue to closely monitor legal and regulatory activities related to water issues. Costs and expenses may increase if such activities increase. Additionally, the District may incur additional costs to comply with legislation if passed. Continued interest in water quality and best management practices are expected to continue to impact the District's operations. The District levied a maintenance tax of \$3.00, \$3.25 and \$3.25 per acre for fiscal year 2020, 2019 and 2018, respectively. The District levied a maintenance tax of \$2.25 per acre for fiscal year 2021.

**Contacting the District's Financial Management**

This financial report is designed to provide the readers with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it manages. If you have questions about this report or need additional financial information, contact the Devil's Garden Water Control District at 1555 Palm Beach Lakes Boulevard, West Palm Beach, FL 33401.

**DEVIL'S GARDEN WATER CONTROL DISTRICT**  
**STATEMENT OF NET POSITION**  
**September 30, 2020**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents - unrestricted	\$ 948,293
Accounts receivable	715
Due from other governments	-
Prepaid expenses	<u>5,824</u>
Total current assets	<u>954,832</u>
Non-current assets:	
Capital assets:	
Non-depreciable canals	640,000
Depreciable water control structures (net of \$573,258 accumulated depreciation)	<u>141,653</u>
Total non-current assets	<u>781,653</u>
 TOTAL ASSETS	 <u>1,736,485</u>
 <b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	29,389
Due to other governments	<u>935</u>
Total current liabilities	<u>30,324</u>
Commitments and contingencies	<u>-</u>
 TOTAL LIABILITIES	 <u>30,324</u>
 <b>NET POSITION</b>	
Net investment in capital assets	781,653
Unrestricted	<u>924,508</u>
 TOTAL NET POSITION	 <u>\$ 1,706,161</u>

*The accompanying notes are an integral part of this statement.*

**DEVIL'S GARDEN WATER CONTROL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**For the year ended September 30, 2020**

	<u>Total Governmental Activities</u>
<b>EXPENSES</b>	
Governmental activities	
General government	
Administration	
Operating expenses	\$ 65,399
Total general government	<u>65,399</u>
Physical environment - water control	
Field operations	
Operating expenses	122,539
Depreciation	<u>11,352</u>
Total water control	<u>133,891</u>
<b>TOTAL EXPENSES - GOVERNMENTAL ACTIVITIES</b>	<u><u>199,290</u></u>
 <b>GENERAL REVENUES</b>	
Maintenance taxes - non ad valorem	230,830
Interest income	4,863
Other income	<u>12,188</u>
<b>TOTAL GENERAL REVENUES</b>	<u><u>247,881</u></u>
 INCREASE IN NET POSITION	 48,591
 <b>NET POSITION - Beginning of the year</b>	 <u>1,657,570</u>
<b>NET POSITION - End of the year</b>	<u><u>\$ 1,706,161</u></u>

*The accompanying notes are an integral part of this statement.*

**DEVIL'S GARDEN WATER CONTROL DISTRICT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**September 30, 2020**

	General Fund	Total Governmental Funds
	<u>          </u>	<u>          </u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 948,293	\$ 948,293
Accounts receivable	715	715
Due from other governments	-	-
Prepaid expenses	<u>5,824</u>	<u>5,824</u>
TOTAL ASSETS	<u>\$ 954,832</u>	<u>\$ 954,832</u>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 29,389	\$ 29,389
Due to other governments	<u>935</u>	<u>935</u>
TOTAL LIABILITIES	<u>30,324</u>	<u>30,324</u>
<b>FUND BALANCE</b>		
Nonspendable	5,824	5,824
Assigned	250,000	250,000
Unassigned	<u>668,684</u>	<u>668,684</u>
TOTAL FUND BALANCE	<u>924,508</u>	<u>924,508</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 954,832</u>	<u>\$ 954,832</u>

*The accompanying notes are an integral part of this statement.*

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

	<u>Amount</u>
Total fund balance for governmental funds	\$ 924,508
<p>Amounts reported for governmental activities in the  Statement of Net Position are different because:</p>	
<p>Capital assets used in governmental activities are not financial  resources and, therefore, are not reported in the governmental funds.</p>	
Capital assets not being depreciated:	
Canals	<u>640,000</u>
	640,000
Capital assets being depreciated:	
Water control structures	714,911
Less accumulated depreciation	<u>(573,258)</u>
	<u>141,653</u>
Total net position of governmental activities	<u><u>\$ 1,706,161</u></u>

*The accompanying notes are an integral part of this statement.*

**DEVIL'S GARDEN WATER CONTROL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS  
For the year ended September 30, 2020**

	General Fund	Total Governmental Funds
	<u>        </u>	<u>        </u>
<b>REVENUES</b>		
Maintenance taxes - non ad valorem	\$ 230,830	\$ 230,830
Interest income	4,863	4,863
Other income	<u>12,188</u>	<u>12,188</u>
TOTAL REVENUES	<u>247,881</u>	<u>247,881</u>
<b>EXPENDITURES</b>		
Current		
General government		
Administration		
Operating expenditures	<u>65,399</u>	<u>65,399</u>
	65,399	65,399
Physical environment - water control		
Field operations		
Operating expenditures	<u>122,539</u>	<u>122,539</u>
	122,539	122,539
Capital outlay	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>187,938</u>	<u>187,938</u>
EXCESS OF REVENUES OVER EXPENDITURES	59,943	59,943
<b>FUND BALANCE - BEGINNING</b>	<u>864,565</u>	<u>864,565</u>
<b>FUND BALANCE - ENDING</b>	<u><u>\$ 924,508</u></u>	<u><u>\$ 924,508</u></u>

*The accompanying notes are an integral part of this statement.*



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

**For the year ended September 30, 2020**

	<u>Amount</u>
Net change in fund balance (revenues in excess of expenditures) - total governmental funds	\$ 59,943
<p>The increase in net position reported for governmental activities in the Statement of Activities is different because:</p> <p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Expenditures for capital assets	-
Less current year depreciation	<u>(11,352)</u>
	<u>(11,352)</u>
Change (increase) in net position of governmental activities	<u><u>\$ 48,591</u></u>

*The accompanying notes are an integral part of this statement.*

**DEVIL'S GARDEN WATER CONTROL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2020**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES**

**Organization**

Devil's Garden Water Control District (the "District") is an independent special district created by Circuit Court Order No. 71- 42 on May 4, 1971, as amended by House Bill 509 and Laws of Florida, Chapter 87-473, under the provisions of Florida Statute 298, and as further amended, reenacted and codified as Laws of Florida, Chapter 2000-481, effective July 5, 2000. The District was formed, initially, for the purpose of preserving and protecting water resources by drainage, irrigation, or water control management for approximately 126,698 acres in Hendry and Collier Counties. The District is governed by a three (3) member Board of Supervisors elected by the landowners of the District. Approximately 81% of the land within the District is owned by a single landowner, Alico, Inc.; therefore, Alico, Inc. pays the majority of the maintenance taxes assessed by the District. The taxable acreage of the District is currently 85,576 acres, all of which is located in Hendry County.

During fiscal year 1996, Alico, Inc. sold approximately 22,000 acres of land to an unrelated water management district. As a condition of the sale, the 22,000 acres were eliminated as taxable acreage of the Devil's Garden Water Control District as were another approximately 10,000 acres that became non-contiguous land due to the sale. As approved by Circuit Court Order 97-104CA, the District's taxable acreage was reduced to approximately 95,626 acres beginning in fiscal year 1998. The District, subsequent to the sale and related boundary change, became wholly situated within Hendry County.

During fiscal year 1999, Alico, Inc. sold approximately 10,106 acres of land to an unrelated water management district. Again, as a condition of the sale the subject 10,106 acres were eliminated as taxable acreage of the Devil's Garden Water Control District. As approved by Senate Bill 2708, the taxable acreage within the District was reduced to approximately 85,556 acres effective for the fiscal year 2000 maintenance tax assessment.

During the year ended September 30, 2002, the District de-annexed 194 acres pursuant to Laws of Florida, Chapter 2002-340. Therefore, the taxable acreage of the Devil's Garden Water Control District was reduced to approximately 85,362. It was subsequently determined by the District that the taxable acreage of the District is 85,576 acres.

**DEVIL'S GARDEN WATER CONTROL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2020**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES, CONTINUED**

**Summary of significant accounting policies**

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

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

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

**Reporting entity**

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

**Government-wide financial statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the District and do not emphasize fund types. These governmental activities comprise the primary government. General governmental and intergovernmental revenues support the governmental activities.

The purpose of the government-wide financial statements is to allow the user to be able to determine if the District is in a better or worse financial position than the prior year. The effect of all interfund activity between governmental funds has been removed from the government-wide financial statements. Government-wide financial

**DEVIL'S GARDEN WATER CONTROL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2020**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES, CONTINUED**

**Government-wide financial statements, continued**

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

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

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

The District had no program revenues during the year ended September 30, 2020.

**Fund financial statements**

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

**DEVIL'S GARDEN WATER CONTROL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2020**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES, CONTINUED**

**Fund financial statements, continued**

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

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

**Governmental funds**

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

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

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**Measurement focus and basis of accounting**

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

**DEVIL'S GARDEN WATER CONTROL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2020**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES, CONTINUED**

**Measurement focus and basis of accounting, continued**

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

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

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

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

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

Separate financial statements are provided for governmental funds.

**DEVIL'S GARDEN WATER CONTROL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2020**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES, CONTINUED**

**Non-current government assets/liabilities**

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

**Major funds - governmental**

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the District.

**Budgetary information**

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

**Capital assets**

Capital assets, which include land (canals) and water control structures, are reported in the government-wide Statement of Net Position.

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

All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date donated. Public domain (infrastructure) capital assets consisting of certain improvements other than buildings, including canals, culverts and excavations, are capitalized. The District has segregated the cost of constructing canals into the "canals" category of capital assets. Since the District continually maintains the canals and drainage systems, the District elected not to depreciate such systems; however, the District does capitalize and depreciate its water control structures. No debt-related interest expense is capitalized as part of capital assets in accordance with GASB Statement Number 34.

**DEVIL'S GARDEN WATER CONTROL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2020**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES, CONTINUED**

**Capital assets, continued**

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

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

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

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

<u>Asset</u>	<u>Years</u>
Water Control Structures	10 - 25

**Budgets and budgetary accounting**

The District has adopted an annual budget for the General Fund.

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

1. During the summer (June) of each year, the Treasurer submits to the Board of Supervisors a proposed operating budget for the fiscal year commencing on the upcoming October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer/landowner comments.
3. The budget is adopted by approval of the Board of Supervisors.



**DEVIL'S GARDEN WATER CONTROL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2020**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES, CONTINUED**

**Budgets and budgetary accounting, continued**

4. Budget amounts, as shown in these basic financial statements, are as originally adopted or as amended by the Board of Supervisors.
5. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America.
6. The level of control for appropriations is exercised at the fund level.
7. Appropriations lapse at year-end.
8. The Board of Supervisors did amend the budget in the amount of \$114,388 during the fiscal year ended September 30, 2020.

The Board of Supervisors assigned fund balance of \$250,000 for the payment of unanticipated emergency and/or disaster related expenses.

The Board of Supervisors adopted a resolution providing that any excess over originally budgeted items, as well as any budgeted contingencies, may be transferred between line items to offset insufficiently budgeted items as long as the overall budget was not in excess of the total appropriation.

**Encumbrances**

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

**Net position**

In the government-wide financial statements, no net assets have been identified as restricted. Restricted net assets are those net assets that have constraints as to their use externally imposed by creditors, through debt covenants, by grantors, or by law.

**DEVIL'S GARDEN WATER CONTROL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2020**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES, CONTINUED**

**Fund balances**

The governmental fund financial statements the District maintains include nonspendable, assigned and unassigned fund balances. Nonspendable fund balances are those that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Criteria include items that are not expected to be converted into cash, such as prepaid expenses.

The District's assigned fund balances are a result of the District's Board approval. The District's intent is to maintain a minimum assigned fund balance level of \$250,000. This assigned fund balance will serve as the District's disaster reserve as recommended by the District's engineer.

The Board's intent is to maintain not less than three (3) months operating expenditures in unassigned fund balance.

**Management estimates**

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

**Subsequent events**

Subsequent events have been evaluated through May 12, 2021, which is the date the basic financial statements were available to be issued.

**DEVIL'S GARDEN WATER CONTROL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2020**

**NOTE 2 - CASH AND CASH EQUIVALENTS**

At September 30, 2020, cash and cash equivalents were \$948,293.

**Deposits**

The District's deposit policy conforms to Florida Statute Chapter 218.415(17) and allows deposits to be held in demand deposit or money market accounts designated "public funds". District policy requires all depositories used by the District to be banks or savings institutions designated as qualified depositories by the State Treasurer.

At September 30, 2020, the carrying amounts and bank balances of the District's deposits were \$948,293 and \$949,357, respectively, in the General Fund. These deposits were entirely covered by federal depository insurance or by collateral pursuant to the Public Depository Security Act (Florida Statute 280) of the State of Florida. All deposits were held in a qualified public depository at September 30, 2020 and designated "public funds" per District investment policy.

**NOTE 3 - CAPITAL ASSETS ACTIVITY**

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

	Balance October 1 2019	Increases/ Additions	Decreases/ Retirements	Adjustments/ Reclassifications	Balance September 30 2020
Capital Assets Not Being Depreciated:					
Canals	\$ 640,000	\$ -	\$ -	\$ -	\$ 640,000
Total Capital Assets Not Being Depreciated	640,000	-	-	-	640,000
Capital Assets Being Depreciated:					
Water Control Structures	714,911	-	-	-	714,911
Total Capital Assets Being Depreciated	714,911	-	-	-	714,911
Less Accumulated Depreciation:					
Water Control Structures	(561,906)	(11,352)	-	-	(573,258)
Total Accumulated Depreciation	(561,906)	(11,352)	-	-	(573,258)
Total Capital Assets Being Depreciated, Net	153,005	(11,352)	-	-	141,653
Capital Assets, Net	\$ 793,005	\$ (11,352)	\$ -	\$ -	\$ 781,653

**DEVIL'S GARDEN WATER CONTROL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 September 30, 2020**

**NOTE 3 - CAPITAL ASSETS ACTIVITY, CONTINUED**

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

	<u>Amount</u>
Physical environment - water control	<u>\$ 11,352</u>
Total Depreciation Expense	<u><u>\$ 11,352</u></u>

**NOTE 4 - MAINTENANCE AND INSTALLMENT TAXES**

Maintenance and installment taxes are generally levied on November 1 of each year, after formal adoption of the District's budget, and become due and payable upon receipt of the Tax Notice. Discounts are allowed for payment of maintenance taxes prior to March 1 of the following year. On April 1, any unpaid taxes become delinquent. If the taxes remain unpaid, tax certificates are then offered for sale to the general public. The billing, collection, and related recordkeeping of all maintenance and installment taxes is performed by Hendry County Tax Collector. Taxes are recognized as revenue when the proceeds are remitted from the Hendry County Tax Collector.

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

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

**DEVIL'S GARDEN WATER CONTROL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2020**

**NOTE 4 - MAINTENANCE AND INSTALLMENT TAXES, CONTINUED**

Under the provisions of Chapter 298.54 of the Florida Statutes, the Board of Supervisors of the District levied a uniform maintenance tax of \$3.00 per acre of land within the District to pay the operating costs for the year ended September 30, 2020. These costs include field operations, surveys, engineering, legal and accounting fees and other expenses as judged necessary by the Board.

**NOTE 5 - SELF-INSURANCE PLAN**

The District is a member of the Florida League of Cities (FMIT) self-insurers program for general/professional liability. The program purchases excess and other specific coverages from third party carriers. Members of the program are annually assessed and billed quarterly for their portion of the program and are not assessable for unanticipated losses incurred by the program. Maximum liability coverage is \$500,000. The premiums paid during the year ended September 30, 2020 totaled \$5,657.

**NOTE 6 - COVID 19**

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

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

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

**DEVIL'S GARDEN WATER CONTROL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND  
ACTUAL - GENERAL FUND - SUMMARY STATEMENT  
For the year ended September 30, 2020**

	General Fund			
	Original	Final		Variance
REVENUES	Budget	Budget	Actual	Favorable (Unfavorable)
Maintenance taxes (net)	\$ 246,390	\$ 246,390	\$ 230,830	\$ (15,560)
Interest	6,000	6,000	4,863	(1,137)
Other	500	6,500	12,188	5,688
Prior year budgeted carryforward	756,177	864,565	-	(864,565)
TOTAL REVENUES	1,009,067	1,123,455	247,881	(875,574)
EXPENDITURES				
Current				
General government				
Administration				
Operating expenditures	52,313	57,388	65,399	(8,011)
	52,313	57,388	65,399	(8,011)
Physical environment - water control				
Field operations				
Operating expenditures	157,442	157,442	122,539	34,903
	157,442	157,442	122,539	34,903
Capital outlay	50,000	50,000	-	50,000
Contingency	20,000	20,000	-	20,000
Reserve - assigned	250,000	250,000	-	250,000
Reserve - unassigned	479,312	588,625	-	588,625
	799,312	908,625	-	908,625
TOTAL EXPENDITURES	1,009,067	1,123,455	187,938	935,517
EXCESS OF EXPENDITURES				
OVER REVENUES	\$ -	\$ -	59,943	\$ 59,943
FUND BALANCE - BEGINNING			864,565	
FUND BALANCE - ENDING			\$ 924,508	

*The accompanying notes are an integral part of this statement.*

**DEVIL'S GARDEN WATER CONTROL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND**  
**ACTUAL - GENERAL FUND - DETAILED STATEMENT**  
**For the year ended September 30, 2020**

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Maintenance taxes (gross)	\$ 256,656	\$ 256,656	\$ 240,243	\$ (16,413)
Less: Discounts	(10,266)	(10,266)	(9,413)	853
Maintenance taxes (net)	246,390	246,390	230,830	(15,560)
Interest	6,000	6,000	4,863	(1,137)
Other	500	6,500	12,188	5,688
Prior year budgeted carryforward	756,177	864,565	-	(864,565)
TOTAL REVENUES	<u>1,009,067</u>	<u>1,123,455</u>	<u>247,881</u>	<u>(875,574)</u>
<b>EXPENDITURES</b>				
Current				
General government - administration				
Operating expenditures				
Fees - legal notices/banking/other	250	250	-	250
Accounting	10,000	10,000	8,750	1,250
Tax collection fees	5,133	5,133	2,308	2,825
Engineering	3,000	3,000	8,353	(5,353)
Insurance - general	5,500	5,500	5,657	(157)
Membership fees	175	250	499	(249)
Consulting	8,000	8,000	8,000	-
Legal fees	18,900	23,900	28,561	(4,661)
Miscellaneous	1,355	1,355	3,271	(1,916)
TOTAL - ADMIN EXPENSES	<u>52,313</u>	<u>57,388</u>	<u>65,399</u>	<u>(8,011)</u>
Physical environment - water control				
Field operations				
Operating expenditures				
Canal usage fees - CSWCD	57,442	57,442	57,442	-
Canal spraying/monthly maintenance	8,476	8,476	8,476	-
Repairs & maintenance	91,524	91,524	56,621	34,903
TOTAL - FIELD OPERATIONS	<u>157,442</u>	<u>157,442</u>	<u>122,539</u>	<u>34,903</u>
Capital outlay	50,000	50,000	-	50,000
Contingency	20,000	20,000	-	20,000
Reserve - assigned	250,000	250,000	-	250,000
Reserve - unassigned	479,312	588,625	-	588,625
	<u>799,312</u>	<u>908,625</u>	<u>-</u>	<u>908,625</u>
TOTAL EXPENDITURES	<u>1,009,067</u>	<u>1,123,455</u>	<u>187,938</u>	<u>935,517</u>
EXCESS OF EXPENDITURES OVER REVENUES	<u>\$ -</u>	<u>\$ -</u>	<u>59,943</u>	<u>\$ 59,943</u>
<b>FUND BALANCE - BEGINNING</b>			<u>864,565</u>	
<b>FUND BALANCE - ENDING</b>			<u>\$ 924,508</u>	

The accompanying notes are an integral part of this statement.



## **ADDITIONAL REPORTS**



**TUSCAN**  
 & Company, PA

**Certified Public Accountants & Consultants**

Affiliations

Florida Institute of Certified Public Accountants  
 American Institute of Certified Public Accountants  
 Private Companies Practice Section  
 Tax Division

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

Board of Supervisors  
 Devil's Garden Water Control District  
 1555 Palm Beach Lakes Boulevard  
 West Palm Beach, Florida 33401

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America, the basic financial statements of the governmental activities and each major fund of Devil's Garden Water Control District (the "District") as of and for the year ended September 30, 2020, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents and have issued our report thereon dated May 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a

material misstatement of the basic financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Devil's Garden Water Control District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

### **Purpose of This Report**

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

A handwritten signature in cursive script that reads "Tuscán & Company, P.A." The signature is written in black ink and is positioned above the printed name of the firm.

TUSCAN & COMPANY, P.A.

Fort Myers, Florida

May 12, 2021



**TUSCAN**  
 & Company, PA

**Certified Public Accountants & Consultants**

Affiliations

Florida Institute of Certified Public Accountants

American Institute of Certified Public Accountants

Private Companies Practice Section

Tax Division

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

Board of Supervisors  
 Devil's Garden Water Control District  
 1555 Palm Beach Lakes Boulevard  
 West Palm Beach, Florida 33401

We have examined Devil's Garden Water Control District's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2020. Management is responsible for Devil's Garden Water Control District's compliance with those requirements. Our responsibility is to express an opinion on Devil's Garden Water Control District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Devil's Garden Water Control District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Devil's Garden Water Control District's compliance with specified requirements.

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

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

TUSCAN & COMPANY, P.A.

Fort Myers, Florida

May 12, 2021

INTEGRITY ..... SERVICE ..... EXPERIENCE

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



**TUSCAN**  
& Company, PA

**Certified Public Accountants & Consultants**

Affiliations

Florida Institute of Certified Public Accountants

American Institute of Certified Public Accountants

Private Companies Practice Section

Tax Division

**INDEPENDENT AUDITOR'S REPORT TO MANAGEMENT**

Board of Supervisors  
Devil's Garden Water Control District  
1555 Palm Beach Lakes Boulevard  
West Palm Beach, Florida 33401

We have audited the accompanying basic financial statements of Devil's Garden Water Control District (the "District") as of and for the year ended September 30, 2020 and have issued our report thereon dated May 12, 2021.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America and Chapter 10.550, Rules of the Florida Auditor General. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters based on an audit of the financial statements performed in accordance with Government Auditing Standards and Chapter 10.550, Rules of the Florida Auditor General. Disclosures in those reports, which are dated May 12, 2021, should be considered in conjunction with this report to management.

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

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

- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The District discloses this information in the notes to the financial statements.
- Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) control deficiencies that are not significant deficiencies. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)5.a., Rules of the Auditor General, requires a statement be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Pursuant to Sections 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, we have applied financial condition assessment procedures. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. In connection with our audit, we determined that the District did not meet any of the criteria of a deteriorating financial condition described in Auditor General Rule Section 10.554(1)(i)(6).c.
- Pursuant to Section 10.554(1)(i)5.b.2, Rules of the Auditor General, if a deteriorating financial condition(s) is noted then a statement is so required along with the conditions causing the auditor to make such a conclusion. No such conditions were noted.
- Pursuant to Section 10.554(1)(i)5.c., Rules of the Auditor General, requires a statement indicating a failure, if any, of a component unit Special District to provide financial information necessary to a proper reporting of the component unit within the audited financial statements of this entity (F.S. Section 218.39(3)(b)). There are no known component special districts required to report within these financial statements.

- Section 10.556(10)(a), Rules of the Auditor General, requires that the scope of our audit to determine the District's compliance with the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the District complied with Section 218.415, Florida Statutes as reported in our Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes dated May 12, 2021, included herein.
- Section 10.557(3)(m), Rules of the Auditor General, requires a notarized affidavit regarding impact fees signed and sworn to by the Chief Financial officer be included in the audit report. No such affidavit is included as the District does not levy impact fees.

**PRIOR YEAR COMMENTS:**

There were no financially significant prior year comments noted.

**CURRENT YEAR COMMENTS:**

There were no financially significant comments noted.

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

*Tuscan & Company, P.A.*

TUSCAN & COMPANY, P.A.  
Fort Myers, Florida  
May 12, 2021

**EXHIBIT**



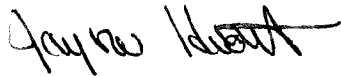
June 16, 2021

Tuscan & Company  
12621 World Plaza Lane, Bldg #55  
Fort Myers, FL 33907

In compliance with Chapter 10.550, Rules of the Auditor General, the following response is submitted to your Report to Management, dated May 12, 2021.

We accept the basic financial statements and have noted that there are no current year comments for Devil's Garden Water Control District.

Sincerely,

A handwritten signature in black ink, appearing to read "Jayne Hildreth". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Jayne Hildreth  
District Accountant

Devil's Garden Water Control District  
One Clearlake Centre, 205 South Australian, Suite 600  
West Palm Beach, FL 33401