

CENTRAL COUNTY WATER CONTROL DISTRICT
BASIC FINANCIAL STATEMENTS
TOGETHER WITH REPORTS OF
INDEPENDENT AUDITOR
YEAR ENDED
September 30, 2021

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 & Company, PA

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Affiliations

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

INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
 Central County Water Control District
 475 S. Cabbage Palm Street
 Clewiston, FL 33440

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Central County Water Control District (the "District") as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Florida Retirement Systems Pension Plan (FRS) or Health Insurance Subsidy Pension Plan (HIS) as of and for the year ended June 30, 2021. The District is required to record its proportionate share of the FRS and HIS liability in the District's government-wide financial statements as of September 30, 2021 and for the year then ended. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Central County Water Control District's government-wide financial statements, is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

INTEGRITY SERVICE EXPERIENCE

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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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Central County Water Control District as of September 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages I - VII, Schedule of the District's Proportionate Share of the Net Pension Liability - Florida Retirement System (FRS) Pension Plan, Schedule of District Contributions - Florida Retirement System (FRS) Pension Plan, Schedule of the District's Proportionate Share of the Net Pension Liability - Health Insurance Subsidy (HIS) Pension Plan, Schedule of District Contributions - Health Insurance Subsidy (HIS) Pension Plan, and Notes to the Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information - management's discussion and analysis (MD&A), Schedule of the District's Proportionate Share of the Net Pension Liability - Florida Retirement System (FRS) Pension Plan, Schedule of District Contributions - Florida Retirement System (FRS) Pension Plan, Schedule of the District's Proportionate Share of the Net Pension Liability - Health Insurance Subsidy (HIS) Pension Plan, Schedule of District Contributions - Health Insurance Subsidy (HIS) Pension Plan, and Notes to the Required Supplementary Information, as listed in the table of contents, in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the required supplementary information - management's discussion and analysis (MD&A), Schedule of the District's Proportionate Share of the Net Pension Liability - Florida Retirement System (FRS) Pension Plan, Schedule of District Contributions - Florida Retirement System (FRS) Pension Plan, Schedule of the District's Proportionate Share of the Net Pension Liability - Health Insurance Subsidy (HIS) Pension Plan, Schedule of District Contributions - Health Insurance Subsidy (HIS) Pension Plan, and Notes to the Required Supplementary Information, as listed in the table of contents, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Required Supplementary Information

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

The required supplementary information other than MD&A - budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other

records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the required supplementary information other than MD&A - budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The Exhibit 1 - Management's Response to Independent Auditor's Report to Management and Exhibit 2 - Florida Rules of the Auditor General - Rule 10.554(l)(i)6-8 Compliance are not a required part of the basic financial statements but is required by Government Auditing Standards and/or Rules of the Auditor General, Section 10.554(i), respectively. 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 March 21, 2022, on our consideration of Central County 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 Central County 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 March 21, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contract and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Central County Water Control District's internal control over financial reporting and compliance.



TUSCAN & COMPANY, P.A.
Fort Myers, Florida
March 21, 2022

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

CENTRAL COUNTY WATER CONTROL DISTRICT

Management's Discussion and Analysis For the year ending September 30, 2021

Management's Discussion and Analysis

This discussion and analysis of the Central County Water Control District (the "District") financial statements is intended to give a considered overview of the District's financial activities for the fiscal year ended September 30, 2021. The basic financial statements are comprised of the government-wide financial statements, governmental fund financial statements, and footnotes. It is our intent to assist the reader in identifying and understanding significant changes in the District's financial position.

Financial Highlights

- At the close of fiscal year 2020, the District's assets exceeded its liabilities, resulting in net position of \$9,682,822.
- At the close of fiscal year 2021, the District's assets exceeded its liabilities, resulting in net position of \$9,125,240.
- The District had \$2,574,096 of unrestricted net position that can be used to meet the District's ongoing obligations at September 30, 2020.
- The District had \$2,171,414 of unrestricted net position that can be used to meet the District's ongoing obligations at September 30, 2021.
- For the year ended September 30, 2020, the District's net position decreased by \$325,267.
- For the year ended September 30, 2021, the District's net position balance decreased by \$557,582.
- Operationally, on a fund basis, the District's revenues exceeded expenditures by \$53,945 for the year ended September 30, 2020.
- Operationally, on a fund basis, the District's expenditures exceeded revenues by \$434,659 for the year ended September 30, 2021.
- Total governmental revenues increased \$168,011 or 7 percent for the year ended September 30, 2020 in comparison to the prior year.
- Total governmental revenues decreased \$102,782 or 5 percent for the year ended September 30, 2021 in comparison to the prior year due to a reduction in prior year maintenance taxes collection.

- Total governmental expenses increased \$143,728 or 6 percent for the year ended September 30, 2020 in comparison to the prior year.
- Total governmental expenses increased \$129,533 or 5 percent for the year ended September 30, 2021 in comparison to the prior year due to an increase in maintenance related costs.
- The District's net investment in capital assets decreased by \$324,498 during the year ended September 30, 2020 due to depreciation of \$472,022.
- The District's net investment in capital assets decreased by \$154,900 or 2 percent during the year ended September 30, 2021 due to depreciation of \$465,984.
- In accordance with GASB Statement #68, the District is required to annually record its proportionate share of the actuarially determined FRS's net pension liability. The District recorded a net pension liability of \$250,709 at September 30, 2021.
- Effective September 30, 2018, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 75 "*Accounting and Financial Reporting for Post Employment Benefits Other Than Pensions (OPEB)*" (Statement No. 75). This accounting standard requires the District to report its actuarially determined net OPEB liability, which was determined to be zero, in the government-wide financial statements of the District as of September 30, 2021 due to the fact the District's health premiums are age banded.

Government-wide Financial Statements

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

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

The Statement of Activities (Page 5) presents revenue and expense information showing how the District's net position changed during the fiscal year. Both Statements are measured and reported using the economic resource measurement focus (revenues and expenses) and the accrual

basis of accounting (revenue recognized when earned and expense recognized when a liability is incurred).

Governmental Fund Financial Statements

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

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

Notes to the Financial Statements

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

Government-Wide Financial Analysis

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

The following is a condensed summary comparison of net position for the primary government for fiscal year 2021, 2020 and 2019:

Summary of Net Position
September 30

	2021 Amounts	2020 Amounts	2019 Amounts
Assets:			
Current and other assets	\$ 2,675,461	\$ 3,045,450	\$ 3,036,783
Capital assets, net	<u>8,842,522</u>	<u>8,959,062</u>	<u>9,264,333</u>
Total Assets	<u>11,517,983</u>	<u>12,004,512</u>	<u>12,301,116</u>
Deferred outflows of resources	<u>140,798</u>	<u>169,551</u>	<u>143,017</u>
Liabilities:			
Current liabilities	323,693	241,122	221,363
Non-current liabilities	<u>1,947,165</u>	<u>2,220,649</u>	<u>2,157,509</u>
Total Liabilities	<u>2,270,858</u>	<u>2,461,771</u>	<u>2,378,872</u>
Deferred inflows of resources	<u>262,683</u>	<u>29,470</u>	<u>57,172</u>
Net Position:			
Net investment in capital assets	6,953,826	7,108,726	7,433,224
Restricted	-	-	-
Unrestricted	<u>2,171,414</u>	<u>2,574,096</u>	<u>2,574,865</u>
Total Net Position	<u>\$ 9,125,240</u>	<u>\$ 9,682,822</u>	<u>\$ 10,008,089</u>

At September 30, 2020, current and other assets represent 25 percent of total assets. Current assets are comprised of unrestricted cash balances of \$2,955,741, restricted cash of \$2,257, receivables of \$3,294, due from other governments of \$56,450, inventory of \$16,524, and other assets of \$11,184. The balances of unrestricted cash represent amounts that are available for spending at the District's discretion.

At September 30, 2021, current and other assets represent 23 percent of total assets. Current assets are comprised of unrestricted cash balances of \$2,633,336, restricted cash of \$2,257, receivables of \$14, due from other governments of \$0, inventory of \$16,524, and other assets of \$23,330. The balances of unrestricted cash represent amounts that are available for spending at the District's discretion.

At September 30, 2020, the capital assets of \$15,610,380 are comprised of land, buildings, improvements, equipment, furniture, and vehicles, and are shown net of accumulated depreciation of \$6,651,318.

At September 30, 2021, the capital assets of \$8,842,522 are comprised of land, buildings, improvements, equipment, furniture, and vehicles, and are shown net of accumulated depreciation of \$7,117,302.

The unrestricted net position balance at September 30, 2020 of \$2,574,096 represents a decrease of \$769 or less than 1 percent decrease from the prior fiscal year.

The unrestricted net position balance at September 30, 2021 of \$2,171,414 represents a decrease of \$(557,582) or a 5.7 percent decrease from the prior fiscal year.

In regard to the General Fund operations of the District, maintenance tax based on benefits provided. For fiscal years 2021, 2020 and 2019, the maintenance tax levies were \$220, \$220 and \$220 per acre, respectively.

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

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

	2021 Amounts	2020 Amounts	2019 Amounts
Revenues:			
Maintenance taxes	\$ 1,813,845	\$ 1,988,317	\$ 1,871,327
Operating grant	4,780	14,926	289,599
Interest	24,279	42,343	69,089
Gain (loss) on disposition	-	-	2,442
Miscellaneous (including rent and sale of spoil)	160,692	60,792	31,177
Total Revenues	<u>2,003,596</u>	<u>2,106,378</u>	<u>2,263,634</u>
Expenditures:			
Water Control and Roads	2,495,869	2,363,975	2,509,305
Interest and fiscal charges	65,309	67,670	66,068
Total expenses	<u>2,561,178</u>	<u>2,431,645</u>	<u>2,575,373</u>
Increase (decrease) in net position	(557,582)	(325,267)	(311,739)
Net position - Beginning	<u>9,682,822</u>	<u>10,008,089</u>	<u>10,319,828</u>
Net Position - Ending	<u>\$ 9,125,240</u>	<u>\$ 9,682,822</u>	<u>\$ 10,008,089</u>

Capital Assets

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

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

	Capital Assets September 30		
	2021	2020	2019
Capital Assets not being depreciated:			
Land	\$ 3,488	\$ 3,488	\$ 3,488
Construction in progress	-	-	-
Total Capital Assets not being depreciated	<u>3,488</u>	<u>3,488</u>	<u>3,488</u>
Capital Assets being depreciated:			
Buildings and building improvements	413,634	413,634	413,634
Other improvements	12,796,077	12,796,077	12,489,916
Machinery & equipment	<u>2,746,625</u>	<u>2,397,181</u>	<u>2,536,591</u>
Total Capital Assets being depreciated	<u>15,956,336</u>	<u>15,606,892</u>	<u>15,440,141</u>
Less: Accumulated Depreciation	<u>(7,117,302)</u>	<u>(6,651,318)</u>	<u>(6,179,296)</u>
Capital Assets, being depreciated, net	<u>8,839,034</u>	<u>8,955,574</u>	<u>9,260,845</u>
Capital Assets, Net	<u>\$ 8,842,522</u>	<u>\$ 8,959,062</u>	<u>\$ 9,264,333</u>

During the year ended September 30, 2021, the District purchased capital assets of \$349,444 including a motor grader, used Mack dump truck, new generator, playground equipment and resurfacing and repairs to the pool.

During the year ended September 30, 2020, the District purchased two (2) new tractors as well as performed road improvements.

During the year ended September 30, 2019, the District purchased playground equipment, a new tractor and trailer as well as performed road improvements

Long Term Obligations

The District had the following long term obligations at September 30:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Capital Leases	\$ 339,257	\$ 217,139	\$ 117,257
Bonds Payable	1,549,439	1,633,197	1,713,852
Net Pension Liability	<u>250,709</u>	<u>544,652</u>	<u>435,702</u>
	<u>\$ 2,139,405</u>	<u>\$ 2,394,988</u>	<u>\$ 2,266,811</u>

The District issued a \$2,000,000 bond issue in 2015 to fund the dike project.

The District entered a capital lease in the amount of \$230,491 for a new motor grader during the year ended September 30, 2021.

Budgetary Highlights

For the fiscal year ended September 30, 2020, revenues exceeded expenditures by \$53,945.

The original budget was not amended for the year ended September 30, 2020. The two most significant variances between budget and actual for fiscal year 2020 was that the District spent significantly more on road, facility and equipment repairs than the amounts budgeted.

For the fiscal year ended September 30, 2021, expenditures exceeded revenues by \$434,659. The decrease in fund balance was budgeted. The largest budget variances were grant revenue which was \$195,000 less than budgeted and capital outlay which was \$99,000 over the amount budgeted.

Economic Factors and Next Year's Budgets and Other Events

For the year ended September 30, 2022 the District adopted an assessment of \$250 per acre, which was \$30 higher per acre than the year ended September 30, 2021.

Request for Information

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

Juan Mata, Chairperson
475 Cabbage Palm Street, Clewiston, FL 33440
863-983-5797

**CENTRAL COUNTY WATER CONTROL DISTRICT
STATEMENT OF NET POSITION
September 30, 2021**

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents - unrestricted	\$ 2,633,336
Cash and cash equivalents - restricted	2,257
Accounts receivable	14
Due from other governments	-
Inventory	16,524
Prepaid expenses and other	23,330
Total current assets	<u>2,675,461</u>
Non-current assets:	
Capital assets:	
Non-depreciable land	3,488
Depreciable buildings, equipment and machinery (net of \$7,117,302 accumulated depreciation)	<u>8,839,034</u>
Total non-current assets	<u>8,842,522</u>
TOTAL ASSETS	<u>11,517,983</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>140,798</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	131,453
Current portion of long-term obligations	<u>192,240</u>
Total current liabilities	<u>323,693</u>
Non-current liabilities:	
Non-current portion of long-term obligations	<u>1,947,165</u>
TOTAL LIABILITIES	<u>2,270,858</u>
DEFERRED INFLOWS OF RESOURCES	<u>262,683</u>
NET POSITION	
Net investment in capital assets	6,953,826
Restricted	-
Unrestricted	<u>2,171,414</u>
TOTAL NET POSITION	<u><u>\$ 9,125,240</u></u>

The accompanying notes are an integral part of this statement.

**CENTRAL COUNTY WATER CONTROL DISTRICT
STATEMENT OF ACTIVITIES
Year Ended September 30, 2021**

	<u>Total Governmental Activities</u>
EXPENSES	
Governmental Activities	
Physical environment	
Personnel services	\$ 820,990
Operating expenses	1,208,895
Depreciation	465,984
Interest and fiscal charges	<u>65,309</u>
Total Governmental Activities	<u>2,561,178</u>
GENERAL REVENUES	
Maintenance taxes	1,813,845
Grant proceeds	4,780
Interest income	24,279
Gain on disposition of capital assets	-
Miscellaneous income	<u>160,692</u>
TOTAL GENERAL REVENUES	<u>2,003,596</u>
INCREASE (DECREASE) IN NET POSITION	(557,582)
NET POSITION - Beginning of the year	<u>9,682,822</u>
NET POSITION - End of the year	<u>\$ 9,125,240</u>

The accompanying notes are an integral part of this statement.

**CENTRAL COUNTY WATER CONTROL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUND
September 30, 2021**

	General Fund	Total Governmental Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ 2,633,336	\$ 2,633,336
Restricted cash and cash equivalents	2,257	2,257
Accounts receivable	14	14
Due from other governments	-	-
Inventory	16,524	16,524
Prepaid expenses and other	<u>23,330</u>	<u>23,330</u>
TOTAL ASSETS	<u>\$ 2,675,461</u>	<u>\$ 2,675,461</u>
 LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable and accrued liabilities	\$ 131,453	\$ 131,453
Due to other governments	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>131,453</u>	<u>131,453</u>
 FUND BALANCE		
General Fund:		
Non-spendable	39,854	39,854
Restricted	-	-
Assigned	981,835	981,835
Unassigned	<u>1,522,319</u>	<u>1,522,319</u>
TOTAL FUND BALANCE	<u>2,544,008</u>	<u>2,544,008</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,675,461</u>	<u>\$ 2,675,461</u>

The accompanying notes are an integral part of this statement.

**CENTRAL COUNTY WATER CONTROL DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUND -
TO THE STATEMENT OF NET POSITION
September 30, 2021**

	<u>Amount</u>	
Total fund balance for governmental funds	\$ 2,544,008	
<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>		
<p>Capital assets not being depreciated:</p>		
Land and rights of way	<u>3,488</u>	3,488
<p>Capital assets being depreciated:</p>		
Building, equipment and machinery	15,956,336	
Less accumulated depreciation	<u>(7,117,302)</u>	8,839,034
<p>Deferred outflows and deferred inflows are applied to future periods and, therefore, are not reported in the governmental funds.</p>		
Deferred outflows - pensions	<u>140,798</u>	140,798
Deferred inflows - pensions	<u>(262,683)</u>	(262,683)
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.</p>		
Net pension liability - FRS	(69,749)	
Net pension liability - HIS	(180,960)	
Bonds payable	(1,549,439)	
Capital lease payable - tractor	(61,115)	
Capital lease payable - motor grader	(181,360)	
Capital lease payable - 2 tractors	(96,782)	
Net OPEB liability	<u>-</u>	<u>(2,139,405)</u>
Total net position of governmental activities	<u>\$ 9,125,240</u>	

The accompanying notes are an integral part of this statement.

**CENTRAL COUNTY WATER CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
Year Ended September 30, 2021**

	General Fund	Total Governmental Funds
REVENUES		
Maintenance taxes	\$ 1,813,845	\$ 1,813,845
Grant proceeds	4,780	4,780
Interest	24,279	24,279
Miscellaneous	<u>160,692</u>	<u>160,692</u>
TOTAL REVENUES	<u>2,003,596</u>	<u>2,003,596</u>
EXPENDITURES		
Current		
Physical Environment		
Personnel services	852,967	852,967
Operating expenditures	<u>1,208,895</u>	<u>1,208,895</u>
	2,061,862	2,061,862
Capital outlay	349,444	349,444
Debt service		
Principal retired	192,131	192,131
Interest charges	<u>65,309</u>	<u>65,309</u>
TOTAL EXPENDITURES	<u>2,668,746</u>	<u>2,668,746</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(665,150)</u>	<u>(665,150)</u>
OTHER FINANCING SOURCES		
Proceeds from issuance of capital lease	<u>230,491</u>	<u>230,491</u>
TOTAL OTHER FINANCING SOURCES	<u>230,491</u>	<u>230,491</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	(434,659)	(434,659)
FUND BALANCE - BEGINNING	<u>2,978,667</u>	<u>2,978,667</u>
FUND BALANCE - ENDING	<u>\$ 2,544,008</u>	<u>\$ 2,544,008</u>

The accompanying notes are an integral part of this statement.

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

Year Ended September 30, 2021

	<u>Amount</u>	
Net change (excess of revenues and other financing sources over (under) expenditures) in fund balance - total governmental funds	\$ (434,659)	
The increase (decrease) in net position reported for governmental activities in the Statement of Activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Plus: Expenditures for capital assets	349,444	
Less: Proceeds from disposition of capital assets	-	
Plus: Gain on disposition of capital assets	-	
Less: Current year depreciation	<u>(465,984)</u>	
		(116,540)
The issuance of debt is reported as a financing source in governmental funds and thus contributes to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the Statement of Net Position.		
Proceeds from capital leases	(230,491)	
Bond principal payments	83,758	
Capital lease principal payments	<u>108,373</u>	
		(38,360)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
(Increase) decrease in net pension liability - FRS	304,480	
(Increase) decrease in net pension liability - HIS	(10,537)	
Increase (decrease) in deferred outflows - pensions	(28,753)	
(Increase) decrease in deferred inflows - pensions	(233,213)	
(Increase) decrease in net OPEB liability	<u>-</u>	
		<u>31,977</u>
Change increase (decrease) in net position of governmental activities	<u>\$ (557,582)</u>	

The accompanying notes are an integral part of this statement.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and nature of activities

Central County Water Control District (the "District") is an independent special district and was created on May 21, 1970 under Laws of Florida Chapter 70-702 by a Special Act of the Florida Legislature under the provisions of Florida Statute, Chapter 298. Laws of Florida Chapter 90-413, Special Acts of Florida Legislature, amended Laws of Florida Chapter 70-702 to allow Central County Water Control District to construct, acquire by donation or purchase recreational facilities and areas for the benefit of the District residents. The District's establishing legislation was codified, re-enacted, amended and repealed by the Laws of Florida Chapter 2000-415. Laws of Florida Chapter 2007-315 changed the method in which District Board Members are elected. Laws of Florida Chapter 2013-263 changed the District's boundaries. The District was established for the purpose of reclaiming, draining, and irrigating the land within the District. The District is located in Hendry County which is in south central Florida. The District includes approximately 7,900 taxable acres.

The District is governed by the Board of Supervisors ("Board"), which is composed of five (5) members. Three (3) members are elected by the owners of the property within the District and two (2) members are elected by popular vote. The Board serves four (4) year staggered terms. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Florida Statutes.

The Board has the responsibility, among other items, for:

1. Assessing and levying assessments
2. Approving budgets
3. Exercising control over facilities and properties
4. Controlling the use of funds generated by the District
5. Approving the hiring and firing of key personnel
6. Financing improvements.

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Government-wide Financial Statements, continued

exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement Number 33, "Accounting and Financial Reporting for Nonexchange Transactions."

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

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

Program revenues are considered to be revenues generated by services performed and/or by fees charged, such as permits allowing drainage into the District systems.

Fund Financial Statements

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

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity or retained earnings, revenues, and expenditures or expenses, as

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Fund Financial Statements, continued

appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

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

Governmental Funds

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

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

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

Measurement Focus and Basis of Accounting

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

NOTE A - 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 and non-ad valorem taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

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

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

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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Non-current Government Assets/Liabilities

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

Major Funds

The District reports the following major governmental funds:

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

Budgetary Information

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

Cash

The District adheres to the requirements of GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," in which all investments are reported at fair value. In addition, the District abides by Florida Statute 218.415(17) as its investment policy.

Inventory

Inventory consists of multiple types of fuel at year end. The inventories are valued at cost, which approximates market. The method used to determine the value of the inventory is the FIFO (first in-first out) method.

Capital Assets

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Capital Assets, continued

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

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

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

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

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

<u>Asset</u>	<u>Years</u>
Buildings and Improvements	10-40
Equipment and Machinery	5-40

Budgets and Budgetary Accounting

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Budgets and Budgetary Accounting, continued

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

1. During the spring of each year, the General Manager and/or 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.
4. Budget amounts, as shown in these basic financial statements, are as originally adopted or as amended by the Board of Supervisors.
5. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America.
6. The level of control for appropriations is exercised at the fund level.
7. Appropriations lapse at year-end.
8. The Board of Supervisors approved one budget amendment during the fiscal year ended September 30, 2021.

Compensated Absences

The District's employees accumulate sick and annual leave based on the number of years of continuous service. Upon termination of employment, however, employees cannot receive payment of accumulated sick or annual leave. Therefore, no such liability is recorded in these financial statements. An employee, however, may cash out 104 hours less 20 hours of sick time annually on December 31. The estimated cost of this time is accrued and recorded within these financial statements.

Encumbrances

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Due From Other Governments

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

Fund Equity

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

Pensions

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

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

Deferred Outflows/Inflows of Resources

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Deferred Outflows/Inflows of Resources, continued

reported in the government-wide Statement of Net Position. The deferred outflows of resources related to pensions and OPEB are discussed in a subsequent note.

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

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 March 21, 2022, which is the date the financial statements were available to be issued.

**CENTRAL COUNTY WATER CONTROL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021**

NOTE B - CASH AND CASH EQUIVALENTS

At September 30, 2021, cash and cash equivalents were \$2,635,593 which was comprised of unrestricted cash of \$2,633,336 including petty cash of \$25 and \$2,257 cash restricted for debt service.

Deposits

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

At September 30, 2021, the carrying amount of the District's deposits were \$2,635,568. The bank balances were \$2,691,406. These deposits were entirely covered by Federal Depository Insurance or by collateral pursuant to the Florida Statute, Chapter 280, Public Depository Security Act of the State of Florida.

CENTRAL COUNTY WATER CONTROL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

NOTE C - CAPITAL ASSETS ACTIVITY

The following is a summary of changes in capital assets activity for the year ended September 30, 2021:

	Balance October 1 2020	Increases/ Additions	Decreases/ Retirements	Adjustments/ Reclassifications	Balance September 30 2021
Capital Assets Not Being Depreciated:					
Land	\$ 3,488	\$ -	\$ -	\$ -	\$ 3,488
CIP	-	-	-	-	-
Total Capital Assets Not Being Depreciated	<u>3,488</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,488</u>
Capital Assets Being Depreciated:					
Buildings	413,634	-	-	-	413,634
Other improvements	12,796,077	-	-	-	12,796,077
Equipment & Machinery	<u>2,397,181</u>	<u>349,444</u>	<u>-</u>	<u>-</u>	<u>2,746,625</u>
Total Capital Assets Being Depreciated	<u>15,606,892</u>	<u>349,444</u>	<u>-</u>	<u>-</u>	<u>15,956,336</u>
Less Accumulated Depreciation:					
Buildings	(173,502)	(10,426)	-	-	(183,928)
Other improvements	(5,100,299)	(312,648)	-	-	(5,412,947)
Equipment & Machinery	<u>(1,377,517)</u>	<u>(142,910)</u>	<u>-</u>	<u>-</u>	<u>(1,520,427)</u>
Total Accumulated Depreciation	<u>(6,651,318)</u>	<u>(465,984)</u>	<u>-</u>	<u>-</u>	<u>(7,117,302)</u>
Total Capital Assets Being Depreciated, Net	<u>8,955,574</u>	<u>(116,540)</u>	<u>-</u>	<u>-</u>	<u>8,839,034</u>
Capital Assets, Net	<u>\$ 8,959,062</u>	<u>\$ (116,540)</u>	<u>\$ -</u>	<u>\$ -</u>	8,842,522
				Less: Related Debt	<u>(1,888,696)</u>
				Net Investment in Capital Assets	<u>\$ 6,953,826</u>

Depreciation expense was charged to the following functions during the year ended September 30, 2021:

	<u>Amount</u>
General Government - Water Control and Roads	\$ 450,637
General Government - Recreation	<u>15,347</u>
Total Depreciation Expense	<u>\$ 465,984</u>

The cost and related accumulated depreciation of capital assets under capital lease at September 30, 2021 was \$537,356 and \$74,663, respectively. Depreciation expense on those capital assets was \$40,291 for the year ended September 30, 2021.

**CENTRAL COUNTY WATER CONTROL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021**

NOTE D - LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended September 30, 2021:

	Balance October 1 2020	Additions	Retirements And Adjustments	Balance September 30 2021	Amounts Due Within One Year
Net Pension Liability - FRS	\$ 374,229	\$ -	\$ (304,480)	\$ 69,749	\$ -
Net Pension Liability - HIS	170,423	10,537	-	180,960	-
Total Pension Liability	544,652	10,537	(304,480)	250,709	-
Net OPEB Liability	-	-	-	-	-
Bond Series 2015	1,633,197	-	(83,758)	1,549,439	87,810
Capital Lease - Tractor	89,781	-	(28,666)	61,115	29,908
Capital Lease - Motor Grader	-	230,491	(49,131)	181,360	43,162
Capital Lease - 2 Tractors	127,358	-	(30,576)	96,782	31,360
	<u>\$ 2,394,988</u>	<u>\$ 241,028</u>	<u>\$ (496,611)</u>	<u>\$ 2,139,405</u>	<u>\$ 192,240</u>

Long-term liabilities consists of the following at September 30, 2021:

	<u>Amount</u>
Net pension obligation - FRS pension plan. This amount is actuarially determined through calculation based upon the audited financial statements of the Florida FRS Plan.	\$ 69,749
Net pension obligation - HIS plan. This amount is actuarially determined through calculation based upon the audited financial statements of the Florida FRS Plan.	180,960
\$2,000,000 special assessment revenue bonds payable, Series 2015. Principal and interest payable semi annually on January 15 and July 15. Interest accrues at a fixed rate of 3.56% through May 26, 2025 and thereafter, at 2.28% plus .67% (10 year swap rate reported in Federal Reserve Daily report). Final payment due May 27, 2035.	1,549,439
\$149,814 capital lease payable in five (5) annual payments to a financial institution in the amount of \$32,557, including interest at 4.25% collateralized by a Tractor. Principal and interest payments began June 15, 2019, with the final payment due June 15, 2023.	61,115
\$157,051 capital lease payable in sixty (60) monthly payments to a financial institution in the amount of \$2,815, including interest at 2.934% collateralized by the respective two (2) Tractors. Principal and interest payments began November 21, 2019, with the final payment due October 21, 2024.	96,782
\$230,491 capital lease payable in five (5) annual payments to a financial institution in the amount of \$49,131, including interest at 3.291% collateralized by the respective Motor Grader. Principal and interest payments began May 4, 2021, with the final payment due May 4, 2025.	181,360
Net OPEB liability - GASB No. 75	-
Total	<u>\$ 2,139,405</u>
Less Current Portion	<u>(192,240)</u>
Long Term Portion	<u>\$ 1,947,165</u>

NOTE D - LONG-TERM LIABILITIES, CONTINUED

Capital Leases

The District is leasing three (3) tractors and one motor grader through capital leases at September 30, 2021. During the year ended September 30, 2021, the District entered into a lease agreement for financing the acquisition of a motor grader at an annual interest rate of 3.291%. The lease agreement is considered a capital lease for accounting purposes.

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

<u>Years ending September 30</u>	<u>Amounts</u>
2022	\$ 115,468
2023	115,468
2024	82,911
2025	<u>49,130</u>
Total minimum lease payments	362,977
Less: amount representing interest	<u>(23,720)</u>
Present value of minimum lease payments	<u>\$ 339,257</u>

Lease related interest expense for the year ended September 30, 2021 was \$7,099.

Bonds Payable

On May 27, 2015, the District issued \$2 million Special Assessment Revenue Bonds, Series 2015 due July 15, 2035, with a fixed interest rate of 3.56% through May 26, 2025, and thereafter a fixed rate of interest determined by the following formula: $2.28\% + 0.67$ (10 year swap rate as reported in the Federal Reserve daily H.15 report), calculated on the basis of a 360-day year for the actual number of days elapsed. The Series 2015 Bonds were issued to finance reconstruction of reservoir levee improvements Reservoir Levee Completion Project. The project reconstructed the banks in those various locations where the District had failures from underlying soils or from surface erosion problems. Interest on and principal of the Bonds are paid semi-annually on each January 15 and July 15, commencing on January 15, 2016, through and including the Maturity Date, subject to prepayment by the District prior to the Maturity Date.

The Bond covenants impose certain restrictions and requirements on the District. At September 30, 2021, the District was in compliance with those financially significant covenants.

Bond related interest expense for the year ended September 30, 2021 was \$58,210.

**CENTRAL COUNTY WATER CONTROL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021**

NOTE D - LONG-TERM LIABILITIES, CONTINUED

Bonds Payable, continued

At September 30, 2021, the scheduled debt service requirements on the Bonds payable were as follows:

Years Ending September 30	Governmental Activities		
	Principal	Interest	Total
2022	\$ 87,810	\$ 54,158	\$ 141,968
2023	90,964	51,004	141,968
2024	94,231	47,737	141,968
2025	97,615	44,353	141,968
2026	101,121	40,847	141,968
2027-2031	562,767	147,075	709,842
2032-2035	514,931	34,052	548,983
	<u>\$ 1,549,439</u>	<u>\$ 419,226</u>	<u>\$ 1,968,665</u>

NOTE E - MAINTENANCE TAXES

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

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

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

**CENTRAL COUNTY WATER CONTROL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2021**

NOTE E - MAINTENANCE TAXES, CONTINUED

Under the provisions of Chapter 298.54 of the Florida Statutes, the Board of Supervisors of the District levied the following uniform maintenance taxes on land within the District to pay the operating costs of the District for the year ended September 30, 2021.

Tax revenue from this levy is used for the maintenance and operating costs of the District. For the year ended September 30, 2021, the District's assessed maintenance taxes were \$220 per acre for Hendry County. These amounts are recorded as revenue when they are received.

NOTE F - FUND BALANCE

Fund balance was noted as nonspendable for the following purposes at September 30, 2021:

Nonspendable fund balance - General Fund	Amount
Inventory	\$ 16,524
Deposits	809
Prepaid Expenses	22,521
	\$ 39,854

Fund balance was assigned for the following purposes at September 30, 2021:

Assigned fund balance - General Fund	Amount
Debt Service	\$ 2,257 *
Emergency	250,000
Equipment	190,700
Operations	538,878
Total Assigned Fund Balance	\$ 981,835

* Restricted cash

NOTE G - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN

General Information about the Florida Retirement System

The Florida Retirement System ("FRS") was created in Chapter 121, Florida Statutes. The FRS was created to provide a defined benefit pension plan ("Pension Plan") for participating public employees. All District employees are participants in the Statewide Florida Retirement System (FRS) under the authority of Article X,

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

General Information about the Florida Retirement System - continued

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

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

The District's total pension expense, \$24,471 for the year ended September 30, 2021, is recorded in the government-wide financial statements. Total District retirement actual contribution expenditures were \$56,448, \$38,996 and \$37,657 for the years ended September 30, 2021, 2020 and 2019, respectively. The District contributed 100% of the required contributions.

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

FRS Pension Plan

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

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

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

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

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

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

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are

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

FRS Pension Plan, continued

held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

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

The following chart shows the percentage value of each year of service credit earned:

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

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

FRS Pension Plan, continued

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

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the year ended September 30, 2021 were as follows:

Class (2)	Percent of Gross Salary*		
	Employee	Employer (1)	Employer (3)
Florida Retirement System, Regular	3.00	10.00	10.82
Florida Retirement System, Senior Management Service	3.00	27.29	29.01
Florida Retirement System, Special Risk	3.00	24.45	25.89
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	0.00	16.98	18.34
Florida Retirement System, Reemployed Retiree	(2)	N/A	N/A
Florida Retirement System, Elected Official	3.00	49.18	51.42

Notes:

- (1) Employer rates include 1.66 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .06 percent for administrative costs for the Investment Plan. Rates for 7/1/20 - 6/30/21.
- (2) Contribution rates are dependent upon retirement class in which reemployed.
- (3) Employer rates include 1.66 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .06 percent for administrative costs for the Investment Plan. Rates for 7/1/21 - 6/30/22.

* As defined by the Plan.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Pension Plan. At September 30, 2021, the District reported an FRS pension liability of \$69,749 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net

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

FRS Pension Plan, continued

pension liability was determined by an actuarial valuation as of July 1, 2020. The District's proportionate share of the net pension liability was based on the District's 2020-21 fiscal year contributions relative to the total 2020-21 fiscal year contributions of all participating members. At September 30, 2021, the District's proportionate share was .000923352 percent, which was an increase of .000059909 percent from its proportionate share measure as of September 30, 2020.

For the year ended September 30, 2021, the District recognized FRS pension expense of \$20,800. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 11,955	\$ -
Change of assumptions	47,726	-
Net difference between projected and actual earnings on pension plan investments	-	243,336
Changes in proportion and differences between District contributions and proportionate share of contributions	27,137	-
District contributions subsequent to the measurement date	12,166	6,915
Total	<u>\$ 98,984</u>	<u>\$ 250,251</u>

The deferred outflows of resources related to the FRS pension, totaling \$12,166, resulting from District contributions subsequent to the measurement date, will be recognized as a reduction on the net pension liability in the fiscal year ending September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension will be recognized in pension expense over the remaining service period of 5.7 years as follows:

<u>Fiscal Years Ending September 30</u>	<u>Amount</u>
2022	\$ (43,833)
2023	(43,833)
2024	(43,833)
2025	(43,833)
2026	17,001
Thereafter	(5,102)
Total	<u>\$ (163,433)</u>

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

FRS Pension Plan, continued

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

Valuation date	July 1, 2020
Measurement date	June 30, 2021
Inflation	2.40 percent
Real payroll growth	0.85 percent
Salary increases	3.25 percent, average, including inflation
Investment rate of return	6.80 percent, net of pension plan investment expense, including inflation
Actuarial cost method	Individual entry age

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

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

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

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.00%	2.2%	2.1%	1.1%
Fixed income	20.00%	3.8%	3.7%	3.3%
Global equity	54.20%	8.2%	6.7%	17.8%
Real estate (property)	10.30%	7.1%	6.2%	13.8%
Private equity	10.80%	11.7%	8.5%	26.4%
Strategic investments	<u>3.70%</u>	5.7%	5.4%	8.4%
Total	<u>100.00%</u>			
Assumed inflation - Mean		2.40%		1.20%

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

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

FRS Pension Plan, continued

Money-weighted Rate of Return. The annual money-weighted rate of return on the FRS Pension Plan investments was 30.41% for the Plan year ended June 30, 2021.

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

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

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
District's proportionate share of the net pension liability	<u>\$ 311,921</u>	<u>\$ 69,749</u>	<u>\$ (132,680)</u>

Pension Plan Fiduciary Net Position. Detailed information about pension plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report ("FRS CAFR") dated June 30, 2021.

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

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

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

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

Payables to the Pension Plan. At September 30, 2021, the District reported a payable of \$1,494 for the outstanding amount of contributions in the pension plan required for the year ended September 30, 2021.

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

HIS Plan

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

Benefits Provided. For the year ended September 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are at least \$30 but not more than \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the year ended September 30, 2021, the contribution rate ranged between 1.66 percent and 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to the HIS Plan. At September 30, 2021, the District reported a HIS net pension liability of \$180.960 for its proportionate share of the net HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability was used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The District's proportionate share of the net HIS liability was based on the District's 2020-21 fiscal year contributions relative to the total 2020-21 fiscal

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

HIS Plan, continued

year contributions of all participating members. At September 30, 2021, the District's proportionate share was .001475236 percent, which was an increase of .000079454 percent from its proportionate share measured as of September 30, 2020.

For the fiscal year ended September 30, 2021, the District recognized HIS expense of \$3,671. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 6,055	\$ 76
Change of assumptions	14,220	7,456
Net difference between projected and actual earnings on HIS pension plan investments	189	-
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	18,639	4,900
District contributions subsequent to the measurement date	<u>2,711</u>	<u>-</u>
Total	<u>\$ 41,814</u>	<u>\$ 12,432</u>

The deferred outflows of resources related to HIS, totaling \$2,711, resulting from District contributions subsequent to the measurement date, will be recognized as a reduction on the net pension liability in the fiscal year ending September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense over the remaining service period of 6.4 years as follows:

<u>Fiscal Years Ending September 30</u>	<u>Amount</u>
2022	\$ 4,951
2023	4,951
2024	4,951
2025	4,952
2026	4,904
Thereafter	<u>1,962</u>
Total	<u>\$ 26,671</u>

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

HIS Plan, continued

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

Inflation	2.40 percent
Real Payroll Growth	0.85 percent
Salary Increases	3.25 percent, average, including inflation
Municipal Bond Rate	2.16 percent
Actuarial Cost Method	Individual entry age

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

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

Discount Rate. The discount rate used to measure the total HIS liability was 2.16 percent. In general, the discount rate for calculating the total HIS liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the District's Proportionate Share of the Net HIS Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net HIS liability calculated using the discount rate of 2.16 percent, as well as what the District's proportionate share of the net HIS liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current rate:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
District's proportionate share of the net HIS liability	\$ 209,207	\$ 180,960	\$ 157,818

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

HIS Plan, continued

Pension Plan Fiduciary Net Position. Detailed information about the HIS plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Comprehensive Annual Financial Report ("FRS CAFR") dated June 30, 2021.

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

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

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

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

Payables to the Pension Plan. At September 30, 2021 the District reported a payable of \$264 for the outstanding amount of contributions to the HIS plan required for the fiscal year ended September 30, 2021.

FRS - Defined Contribution Pension Plan

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

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

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

FRS - Defined Contribution Pension Plan, continued

are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the plan, including FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2020-21 fiscal year were as follows:

Class (2)	Percent of Gross Salary*		
	Employee	Employer (1)	Employer (3)
Florida Retirement System, Regular	3.00	10.00	10.82
Florida Retirement System, Senior Management Service	3.00	27.29	29.01
Florida Retirement System, Special Risk	3.00	24.45	25.89
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	0.00	16.98	18.34
Florida Retirement System, Reemployed Retiree	(2)	N/A	N/A
Florida Retirement System, Elected Official	3.00	49.18	51.42

Notes:

- (1) Employer rates include 1.66 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .06 percent for administrative costs for the Investment Plan. Rates for 7/1/20 - 6/30/21.
- (2) Contribution rates are dependent upon retirement class in which reemployed.
- (3) Employer rates include 1.66 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .06 percent for administrative costs for the Investment Plan. Rates for 7/1/21 - 6/30/22.

* As defined by the Plan.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5 year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2021, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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

FRS - Defined Contribution Pension Plan, continued

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

The District's Investment Plan pension expense totaled \$20,283 for the fiscal year ended September 30, 2021 which is included in the total pension expense.

Payables to the Investment Plan. At September 30, 2021, the District reported a payable of \$0 for the outstanding amount of contributions to the Plan required for the fiscal year ended September 30, 2021.

NOTE H - RISK MANAGEMENT

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

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

NOTE I - CONTINGENCIES

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

During the audit, net taxes received was confirmed by the Hendry County Tax Collector, however the gross amount collected appeared to be higher than the assessed amount. This is potentially due to a significant amount of delinquent taxes being collected during the year ended September 30, 2021. Although it is not certain, nor possible to estimate an amount, there is a possibility the District may have to return funds to the Hendry County Tax Collector if there was an overpayment of taxes distributed.

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

Based on the actuarial calculation performed in fiscal year 2019, it was determined that the cost of the post-employment benefits are no longer material to the District as the District's health insurance premiums are currently age banded. Therefore, there is no implicit subsidy. The District pays no portion of retiree health insurance premiums. Therefore, there is no explicit subsidy. No disclosures for post-employment benefits have been included in the current fiscal year financial statements. There were no retirees participating in the health insurance plan as of September 30, 2021.

NOTE K - COVID 19

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

The District has adapted its operations to accommodate the current environment. However, the full impact of the COVID-19 outbreak continues to evolve as of the date of this report. This pandemic has adversely affected global economic activity and greatly contributed to instability in financial markets. Management is actively monitoring the local situation on its financial condition, liquidity, operations, donors, industry, and workforce. Given the daily evolution of COVID-19 and the global and local responses to curb its spread, the District is not able to estimate the future effects of COVID-19 on its results of operation, financial condition, or liquidity for fiscal year 2021-22.

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

**CENTRAL COUNTY WATER CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND
ACTUAL - GENERAL FUND
Year Ended September 30, 2021**

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Maintenance taxes	\$ 1,870,659	\$ 1,870,659	\$ 1,813,845	\$ (56,814)
Grant proceeds	200,000	200,000	4,780	(195,220)
Interest	40,500	40,500	24,279	(16,221)
Miscellaneous	35,600	35,600	160,692	125,092
Prior year budgeted carryforward	2,993,820	2,978,667	-	(2,978,667)
TOTAL REVENUES	5,140,579	5,125,426	2,003,596	(3,121,830)
EXPENDITURES				
Current - Physical Environment				
Personnel services	764,253	890,000	852,967	37,033
Operating expenditures				
Discounts & commissions	72,000	75,000	71,571	3,429
Assessing fees	8,800	8,800	8,761	39
Security	15,000	15,000	1,251	13,749
Supervisor Fees	3,000	3,000	2,800	200
Maintenance and rebuilding dirt roads	290,000	290,000	254,822	35,178
Reservoir maintenance	3,000	3,000	-	3,000
Reservoir security	-	41,000	41,949	(949)
Street signs	5,000	5,000	(848)	5,848
Canal & levees - maintenance & supplies	42,000	17,000	16,800	200
Supplies	70,000	77,000	90,819	(13,819)
Other contracted services	70,000	86,000	88,621	(2,621)
Vending machine supplies	1,800	1,800	86	1,714
Professional services	192,500	160,500	160,147	353
Employee training	3,000	3,000	-	3,000
Election	7,000	1,500	1,480	20
Fuel	40,000	83,000	86,783	(3,783)
Repairs - equipment and vehicles	100,000	131,000	130,555	445
Repairs - clubhouse and pool	12,000	30,000	66,666	(36,666)
Insurance	57,000	68,000	63,772	4,228
Office expense	7,000	7,000	3,164	3,836
Legal advertising	3,000	3,000	576	2,424
Culverts	50,000	-	-	-
Utilities	32,000	35,000	32,426	2,574
Christmas party	4,000	4,000	155	3,845
Communications	12,000	15,000	14,261	739
Sanitation	39,000	66,000	62,325	3,675
Uniforms	10,000	10,000	3,979	6,021
Miscellaneous expense	-	-	249	(249)
Summer Camp-other	26,000	6,000	5,725	275
Operating expenditures	1,175,100	1,245,600	1,208,895	36,705

The accompanying notes are an integral part of this statement.

**CENTRAL COUNTY WATER CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND
ACTUAL - GENERAL FUND, CONTINUED
Year Ended September 30, 2021**

	General Fund			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Capital outlay	540,000	250,000	349,444	(99,444)
Debt Service				
Principal retired	151,105	151,105	192,131	(41,026)
Interest charges	57,203	62,000	65,309	(3,309)
Contingency	2,452,918	2,526,721	-	2,526,721
TOTAL EXPENDITURES	<u>5,140,579</u>	<u>5,125,426</u>	<u>2,668,746</u>	<u>2,456,680</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(665,150)	(665,150)
OTHER FINANCING SOURCES				
Proceeds from issuance of capital leases	-	-	230,491	230,491
TOTAL OTHER FINANCING SOURCES	-	-	230,491	230,491
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	(434,659)	<u>\$ (434,659)</u>
FUND BALANCE - BEGINNING			<u>2,978,667</u>	
FUND BALANCE - ENDING			<u>\$ 2,544,008</u>	

The accompanying notes are an integral part of this statement.

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

	2021	2020	2019	2018
District's proportion of the net pension liability	0.000923352%	0.000863443%	0.000830511%	0.000849391%
District's proportionate share of the net pension liability	\$ 69,749	\$ 374,229	\$ 286,017	\$ 255,841
District's covered-employee payroll	\$ 601,204	\$ 478,766	\$ 462,822	\$ 410,203
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	11.60%	78.17%	61.80%	62.37%
Plan fiduciary net position as a percentage of the total pension liability	96.40%	78.85%	82.61%	84.26%

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

(2) Adoption of GASB No. 68 occurred in FY 2015.

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

	2021	2020	2019	2018
Contractually required contribution	\$ 47,981	\$ 32,367	\$ 30,126	\$ 28,484
Contributions in relation to the contractually required contribution	47,981	32,367	30,126	28,484
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 601,204	\$ 478,766	\$ 462,822	\$ 410,203
Contributions as a percentage of covered-employee payroll	7.98%	6.76%	6.51%	6.94%

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

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

* Adoption of GASB No. 68 occurred in FY 2015.

2017	2016	2015	2014*
0.000757399%	0.000882782%	0.000955910%	0.000000000%
\$ 224,034	\$ 222,903	\$ 123,468	\$ -
\$ 400,138	\$ 411,038	\$ 359,961	\$ -
55.99%	54.23%	34.30%	0.00%
83.89%	84.88%	92.00%	96.09%

2017	2016	2015	2014*
\$ 22,889	\$ 23,483	\$ 23,669	\$ -
<u>22,889</u>	<u>23,483</u>	<u>23,669</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 400,138	\$ 411,038	\$ 359,961	\$ -
5.72%	5.71%	6.58%	0.00%

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

	2021	2020	2019	2018
District's proportion of the net pension liability	0.001475236%	0.001395782%	0.001337789%	0.001326232%
District's proportionate share of the net pension liability	\$ 180,960	\$ 170,423	\$ 149,685	\$ 140,370
District's covered-employee payroll	\$ 601,204	\$ 478,766	\$ 462,822	\$ 410,203
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	30.10%	35.60%	32.34%	34.22%
Plan fiduciary net position as a percentage of the total pension liability	3.56%	3.00%	2.63%	2.15%

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

* Adoption of GASB No. 68 occurred in FY 2015.

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

	2021	2020	2019	2018
Contractually required contribution	\$ 8,467	\$ 6,629	\$ 7,531	\$ 7,121
Contributions in relation to the contractually required contribution	<u>8,467</u>	<u>6,629</u>	<u>7,531</u>	<u>7,121</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 601,204	\$ 478,766	\$ 462,822	\$ 410,203
Contributions as a percentage of covered-employee payroll	1.41%	1.38%	1.63%	1.74%

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

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

* Adoption of GASB No. 68 occurred in FY 2015.

2017	2016	2015	2014*
0.001193711%	0.001353107%	0.001359789%	0.000000000%
\$ 127,637	\$ 157,699	\$ 138,677	\$ -
\$ 400,138	\$ 411,038	\$ 359,961	\$ -
31.90%	38.37%	38.53%	0.00%
1.64%	0.97%	0.50%	0.99%

2017	2016	2015	2014*
\$ 6,084	\$ 6,623	\$ 5,804	\$ -
6,084	6,623	5,804	-
\$ -	\$ -	\$ -	\$ -
\$ 400,138	\$ 411,038	\$ 359,961	\$ -
1.52%	1.61%	1.61%	0.00%

Changes of Assumptions

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

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

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 2.16% was reduced from 2.21% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both plans were based on the Generational PUB 2010 with Projection Scale MP-2018.

Florida Retirement System Pension Plan

There were changes in actuarial assumptions. As of June 30, 2020, the inflation rate assumption decreased to 2.40 percent, the real payroll growth assumption was increased to 0.85 percent, and the overall payroll growth rate assumption remained at 3.25 percent. The long-term expected rate of return remained unchanged at 6.80 percent.

Health Insurance Subsidy Pension Plan

The municipal rate used to determine total pension liability decreased from 2.21 percent to 2.16 percent.

Pension Expense and Deferred Outflows/Inflows of Resources

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

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

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

The average expected remaining service life of all employees provided with pensions through the pension plans at September 30, 2021 changed from 5.9 years (FY20), to 5.7 years (FY21) for FRS and 7.2 years (FY 20) to 6.4 years (FY 21) for HIS.

ADDITIONAL REPORTS



TUSCAN
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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
 Central County Water Control District
 475 S. Cabbage Palm Street
 Clewiston, FL 33440

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 Central County Water Control District (the "District") as of and for the year ended September 30, 2021, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents and have issued our report thereon dated March 21, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) 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

INTEGRITY SERVICE EXPERIENCE

deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Central County 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 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.



TUSCAN & COMPANY, P.A.

Fort Myers, Florida

March 21, 2022

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


Board of Supervisors
Central County Water Control District
475 S. Cabbage Palm Street
Clewiston, FL 33440

We have examined Central County Water Control District's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2021. Management is responsible for Central County Water Control District's compliance with those requirements. Our responsibility is to express an opinion on Central County 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 Central County 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 Central County Water Control District's compliance with specified requirements.

In our opinion, Central County Water Control District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

This report is intended solely for the information and use of the Central County 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
March 21, 2022

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Tax Division

INDEPENDENT AUDITOR'S REPORT TO MANAGEMENT

Board of Supervisors
 Central County Water Control District
 475 S. Cabbage Palm Street
 Clewiston, FL 33440

We have audited the accompanying basic financial statements of Central County Water Control District (the "District") as of and for the year ended September 30, 2021 and have issued our report thereon dated March 21, 2022.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America and Chapter 10.550, Rules of the Florida Auditor General. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards and Chapter 10.550, Rules of the Florida Auditor General. Disclosures in those reports, which are dated March 21, 2022 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 included the following information, which is not included in the aforementioned auditor's report:

- 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 prior year comments noted. Those comments appear to have been resolved.
- 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. Our recommendations were noted herein.

INTEGRITY SERVICE EXPERIENCE

- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we noted no such items in our report to management dated March 21 2022.
- 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 in the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The District discloses this information in the notes to the financial statements.
- Section 10.554(1)(i)5.a., Rules of the Auditor General, requires a statement be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Pursuant to Sections 10.554(1)(i)5.b and 10.556(7), Rules of the Auditor General, we have applied financial condition assessment procedures pursuant to Rule 10.556(8). It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. In connection with our audit, we determined that the District did not meet any of the criteria of a deteriorating financial condition described in Auditor General Rule Section 10.554(1)(i)(5).a.
- 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.
- Pursuant to Section 10.554(1)(i)6, Rules of the Auditor General, requires disclosures of certain unaudited data. See Exhibit 2.

- Pursuant to Section 10.554(1)(i)7, Rules of the Auditor General, requires an independent special district that imposes as valorem taxes to disclose certain related unaudited data. See Exhibit 2.
- Section 10.554(1)8, Rules of the Auditor General, requires an independent special district that imposes a non-ad valorem special assessment to disclose certain unaudited data. See Exhibit 2.
- 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 March 21, 2022, included herein.

PRIOR YEAR COMMENTS:

Prior year comments that have been resolved and have been deleted.

CURRENT YEAR COMMENTS:

No financially significant comments noted.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the Board of Supervisors, 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
March 21, 2022

EXHIBIT 1

Central County Water Control District

475 S. Cabbage Palm Street
Post Office Box 488
Clewiston, Florida 33440
863-983-5797

June 13, 2022

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

Re: Management's Response to Independent Auditor's Report to Management –
Fiscal Year 2020-2021

Dear Ms. Norman:

The Rules of the Auditor General require the audit report to include a written statement of explanation, including corrective action to be taken, or a rebuttal regarding any deficiencies cited in the auditors' reports and management letter.

PRIOR YEAR COMMENT:

Finding 2020-1 – Budget Carryforward Not Amended in Budget

We did not amend our annual budget estimated carryforward from the prior year to the audited fund balance for the Fiscal Year 2019-2020. We did properly amend the Fiscal Year 2020-2021 budget.

CURRENT YEAR COMMENT:

There were no deficiencies cited in the current year auditor's reports or management letter.

Sincerely,



John B. Boy, Jr. - Treasurer
Central County Water Control District

EXHIBIT 2

**UNAUDITED
COMPLIANCE WITH REPORTING REQUIRED BY:**

Auditor General Rule 10.554(1)(i)6

For a dependent special district or an independent special district, or a local government entity that includes the information of a dependent special district as provided in Section 218.39(3)(a), Florida Statutes, the following specific information provided by management (with explanatory verbiage that the auditor provides no assurance on the information:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year being reported (see information required in Section 218.32(1)(e)2.a., Florida Statutes). 18
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year being reported (see information required in Section 218.32(1)(e)2.b., Florida Statutes).
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency (see information required in Section 218.32(1)(e)2.c., Florida Statutes). (Total wage compensation for the fiscal year being audited). \$601,204
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency (see information required in Section 218.32(1)(e)2.d., Florida Statutes). (Amounts paid that would be reported on a Form 1099 for FYE).
- e. Each construction project with a total cost of at least \$65,000 approved by the district that was scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project (see information required in Section 218.32(1)(e)2.e., Florida Statutes). 0
- f. A budget variance report based on the budget adopted under section 189.016(4), Florida Statutes, before the beginning of the fiscal year reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes (see information required in Section 218.32(1)(e)3., Florida Statutes). If there were amendments then include budget variance (original budget vs. actual at FYE). See attached page 3 and 4.

Auditor General Rule 10.554(1)(i)7

For an independent special district that imposes ad valorem taxes, the following specific information provided by management (with explanatory verbiage that the auditor provides no assurance on the information): (see information required in Section 218.32(1)(e)4., Florida Statutes).

- a. The millage rate or rates imposed by the district. N/A
- b. The current year gross amount of ad valorem taxes collected by or on behalf of the district. N/A
- c. The total amount of outstanding bonds issued by the district and terms of such bonds. N/A

Auditor General Rule 10.554(1)(i)8

For an independent special district that imposes non-ad valorem special assessments, the following specific information provided by management (with explanatory verbiage that the auditor provides no assurance on the information): (see information required in Section 218.32(1)(e)5., Florida Statutes).

- a. The rate or rated of such assessment imposed by the district. \$220/acre
- b. The total amount of special assessments collected by or on behalf of the district. \$1,813,845
- c. The total amount of outstanding bonds issued by the district and the terms of such bonds. \$1,549,439

CENTRAL COUNTY WATER CONTROL DISTRICT
ORIGINAL BUDGET vs. ACTUAL COMPARISON REPORT - UNAUDITED -
GENERAL FUND
Year Ended September 30, 2021

	General Fund		
	Original Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Maintenance taxes	\$ 1,870,659	\$ 1,813,845	\$ (56,814)
Grant proceeds	200,000	4,780	(195,220)
Interest	40,500	24,279	(16,221)
Miscellaneous	35,600	160,692	125,092
Prior year budgeted carryforward	2,993,820	-	(2,993,820)
TOTAL REVENUES	<u>5,140,579</u>	<u>2,003,596</u>	<u>(3,136,983)</u>
EXPENDITURES			
Current - Physical Environment			
Personnel services	<u>764,253</u>	<u>852,967</u>	<u>(88,714)</u>
Operating expenditures			
Discounts & commissions	72,000	71,571	429
Assessing fees	8,800	8,761	39
Security	15,000	1,251	13,749
Supervisor Fees	3,000	2,800	200
Maintenance and rebuilding dirt roads	290,000	254,822	35,178
Reservoir maintenance	3,000	-	3,000
Reservoir security	-	41,949	(41,949)
Street signs	5,000	(848)	5,848
Canal & levees - maintenance & supplies	42,000	16,800	25,200
Supplies	70,000	90,819	(20,819)
Other contracted services	70,000	88,621	(18,621)
Vending machine supplies	1,800	86	1,714
Professional services	192,500	160,147	32,353
Employee training	3,000	-	3,000
Election	7,000	1,480	5,520
Fuel	40,000	86,783	(46,783)
Repairs - equipment and vehicles	100,000	130,555	(30,555)
Repairs - clubhouse and pool	12,000	66,666	(54,666)
Insurance	57,000	63,772	(6,772)
Office expense	7,000	3,164	3,836
Legal advertising	3,000	576	2,424
Culverts	50,000	-	50,000
Utilities	32,000	32,426	(426)
Christmas party	4,000	155	3,845
Communications	12,000	14,261	(2,261)
Sanitation	39,000	62,325	(23,325)
Uniforms	10,000	3,979	6,021
Miscellaneous expense	-	249	(249)
Summer Camp-other	26,000	5,725	20,275
Operating expenditures	<u>1,175,100</u>	<u>1,208,895</u>	<u>(33,795)</u>

The accompanying notes are an integral part of this statement.

CENTRAL COUNTY WATER CONTROL DISTRICT
ORIGINAL BUDGET vs. ACTUAL COMPARISON REPORT - UNAUDITED -
GENERAL FUND - CONTINUED
Year Ended September 30, 2021

	General Fund		
	Original Budget	Actual	Variance Favorable (Unfavorable)
Capital outlay	540,000	349,444	190,556
Debt Service			-
Principal retired	151,105	192,131	(41,026)
Interest charges	57,203	65,309	(8,106)
Contingency	2,452,918	-	2,452,918
TOTAL EXPENDITURES	<u>5,140,579</u>	<u>2,668,746</u>	<u>2,471,833</u>
EXCESS OF REVENUES OVER (UNDER)			
EXPENDITURES	-	(665,150)	(665,150)
OTHER FINANCING SOURCES			
Proceeds from issuance of capital leases	-	230,491	230,491
TOTAL OTHER FINANCING SOURCES	-	<u>230,491</u>	<u>230,491</u>
EXCESS OF REVENUES AND			
OTHER FINANCING SOURCES			
OVER (UNDER) EXPENDITURES	<u>\$ -</u>	(434,659)	<u>\$ (434,659)</u>
FUND BALANCE - BEGINNING		<u>2,978,667</u>	
FUND BALANCE - ENDING		<u>\$ 2,544,008</u>	

The accompanying notes are an integral part of this statement.