

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2020**

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT  
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SEPTEMBER 30, 2020**

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**SUWANNEE RIVER WATER MANAGEMENT DISTRICT OFFICIALS**

**LIST OF PRINCIPAL OFFICIALS**

**SEPTEMBER 30, 2020**

<b>Chairman</b>	<b>Virginia H. Johns</b>
<b>Vice Chairman</b>	<b>Richard Schwab</b>
<b>Secretary-Treasurer</b>	<b>Charles Keith</b>
<b>Board Members</b>	<b>Larry Sessions Virginia Sanchez Harry Smith Larry Thompson</b>
<b>Executive Director</b>	<b>Hugh Thomas</b>



**Powell & Jones**  
Certified Public Accountants

Richard C. Powell, Jr., CPA  
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## **INDEPENDENT AUDITOR'S REPORT**

To the Honorable Board of Governors  
Suwannee River Water Management District

### **Report on the Financial Statements**

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

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

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

### ***Auditor's Responsibility***

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

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

## ***Opinion***

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

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison, other post-employment benefits plan, and schedules of proportionate share of net pension liability and contributions information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

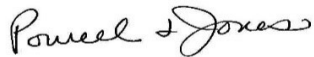
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by the audit requirements of Title 2 U.S Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and Section 215.97, Florida Statutes, *Florida Single Audit Act*; Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, as listed in the table of contents, is presented for the purposes of additional analysis and is not a required part of the basic financial statements.

The combining nonmajor fund financial statements and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements and the schedule of

expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8 2021, on our consideration of the Suwannee River Water Management District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Suwannee River Water Management District's internal control over financial reporting and compliance.



**POWELL & JONES**  
Certified Public Accountants  
Lake City, Florida  
March 8, 2021

## Management's Discussion and Analysis

As management of the Suwannee River Water Management District, we offer readers of the Suwannee River Water Management District's financial statements this narrative overview and analysis of the financial activities of the Suwannee River Water Management District for the fiscal year ended September 30, 2020.

### Financial Highlights

The assets of the Suwannee River Water Management District exceeded its liabilities at the close of the most recent fiscal year by \$249,529,879 (net position).

The District's total net position decreased by \$1,157,510.

As of the close of the 2019-2020 fiscal year, the District's governmental funds reported combined ending fund balances of \$38,634,328, an increase of \$1,128,454 in comparison with the prior year.

At the end of the 2019-2020 fiscal year the unassigned balance for the general fund was \$8,414,015.

### Overview of the Financial Statements

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

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

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

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The government-wide financial statements report functions of the Suwannee River Water Management District that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Suwannee River Water Management District include water supply and resource management, land acquisition and management, operation, maintenance of lands and works, regulation, outreach, and administration.

The government-wide financial statements include only the Suwannee River Water Management District, a component unit of the State of Florida.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Suwannee River Water Management District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Suwannee River Water Management District are in one category: governmental funds.

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

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

The Suwannee River Water Management District maintains eighteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Springs Appropriations Fund, Land Acquisition and Management Fund, Land Acquisition – Mitigation/Save Our Rivers Fund; each of which is considered to be a major fund. Data from the other fourteen governmental funds are combined into a single, aggregated presentation.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the Suwannee River Water Management District's budgetary comparison for its major funds and the schedule of funding progress for the Other Post Employment Benefit Plan. The Suwannee River Water Management District adopts an annual appropriated budget for all funds. A budgetary comparison schedule has been provided for the general fund and each major fund to demonstrate compliance with this budget.

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Suwannee River Water Management District, assets exceeded liabilities by \$249,529,879 at the close of the most recent fiscal year.

By far the largest portion of the Suwannee River Water Management District's net position (87 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment). The Suwannee River Water Management District uses these capital assets to protect the water resources of the District; consequently, these assets are not available for future spending.



**SUWANNEE RIVER WATER MANAGEMENT DISTRICT'S NET POSITION**

	<u>2020</u>	<u>2019</u>
Current and other assets	\$ 47,307,750	\$ 41,804,394
Capital assets:		
Land and other improvements	211,637,446	213,184,763
Other capital assets, net of depreciation	4,524,159	4,375,078
Total assets	<u>263,469,355</u>	<u>259,364,235</u>
Deferred outflows	<u>1,658,806</u>	<u>1,544,316</u>
Long-term liabilities outstanding	6,607,405	4,872,337
Other liabilities	8,673,422	4,823,205
Total liabilities	<u>15,280,827</u>	<u>9,695,542</u>
Deferred inflows	<u>317,455</u>	<u>525,620</u>
Net position		
Invested in capital assets, net of related debt	216,161,605	217,559,841
Restricted for land acquisition and management	11,246,083	9,812,805
Restricted for water supply and resource management	14,443,664	15,001,667
Unrestricted	7,678,527	8,313,076
Total net position	<u>\$249,529,879</u>	<u>\$250,687,389</u>

An additional portion of the Suwannee River Water Management District's net position (10%) represents resources that are subject to external restrictions on how they may be used.

**Governmental activities.** Governmental activities decreased Suwannee River Water Management District's net assets by \$1,157,510. The key elements of this decrease can be attributed to the conveyance of property. The reconciliation statements on pages 17 and 27 - 28 details the relationship of the activities statement to the governmental funds statement.

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT  
CHANGE IN NET POSITION**

	2020	2019
Revenues:		
Program revenues:		
Charges for services	\$ 292,986	\$ 358,333
Operating grants and contributions	14,277,983	14,334,755
Capital grants and contributions	718,515	308,789
General revenues:		
Property taxes	6,057,219	5,861,656
Other income	1,794,889	1,112,509
Unrestricted investment earnings	1,284,752	1,741,453
(Loss) on disposal of assets and conveyance	(1,314)	(528)
Change in fair value of investments	468,304	771,512
Total revenues	24,893,334	24,488,479
Expenses:		
Water resource planning and monitoring	5,779,595	5,132,905
Acquisition, restoration and public works	10,833,908	11,197,848
Operation, maintenance of lands and works	4,148,084	3,468,667
Regulation	1,641,944	1,468,012
Outreach	215,939	246,978
Administration	1,790,948	1,696,544
Land conveyance/exchange	1,554,090	-
Total expenses	25,964,508	23,210,954
Increase (decrease) in net position	(1,071,174)	1,277,525
Net position, beginning of year	250,687,389	250,185,279
Prior period adjustment	(86,336)	(775,415)
Net position, end of year	\$249,529,879	\$250,687,389

**Financial Analysis of the Government's Funds**

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

**Governmental funds.** The focus of the Suwannee River Water Management District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Suwannee River Water Management District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Suwannee River Water Management District's governmental funds reported combined ending fund balances of \$38,634,328, an increase of \$1,128,454 over the prior year. Approximately 22% of the total combined ending fund balance constitutes unassigned fund balance which is available for spending at the government's discretion. The remainder of fund balance is restricted to indicate that it is not available for general spending.

The general fund is the chief operating fund of the Suwannee River Water Management District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$8,414,015, while total fund balance reached \$19,176,299. Total unassigned fund balance represents 109% of total general fund expenditures.

During the current fiscal year, the fund balance of the Suwannee River Water Management District's general fund decreased by \$146,333. The key factor in this decrease was an decrease in interest income.

The Alternative Water Supply fund had a total fund balance of \$84,532.

The Springs Appropriations Fund had a total fund balance of \$0. This fund is supported by intergovernmental revenue.

The Land Acquisition and Management Fund had a total Fund Balance of \$3,238,660. The majority of the \$ 546,142 increase in this fund in the current year was attributable to timber revenue.

The Land Acquisition – Mitigation/Save Our Rivers Fund had a total fund balance of \$8,007,423.

### **Budgetary Highlights**

#### **General Fund**

During the year salaries and benefits were \$445,231 less than amounts budgeted, and professional services were \$795,977 less than budgeted, while operating expenditures were \$ 251,314 less than budget. The intergovernmental expenses were 926,033 less than the budget.

#### **Alternate Water Supply Fund**

During the year there was a total of \$4,919,568 less in expenditures overall than what was budgeted.

#### **Springs Appropriations Fund**

During the year there was a total of \$22,685,447 less in expenditures overall than what was budgeted.

#### **Land Acquisition and Management Fund**

During the year there was a total of \$1,238,791 less in expenditures overall than what was budgeted.

#### **Land Acquisition – Mitigation/Save Our Rivers Fund**

The Land Acquisition – Mitigation/Save Our Rivers Fund did not have a any expenditures.

### **Capital Asset Administration**

**Capital assets.** The Suwannee River Water Management District's investment in capital assets as of September 30, 2020, amounts to \$216,161,605 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, vehicles, office equipment, field equipment and computer equipment.

### **Economic Factors and Next Year's Budgets and Rates**

Changing economic conditions has required the District to adopt new budgeting strategies. The District must accomplish statutory priorities with less discretionary revenue available.

Factors that influence the District's fiscal year 2020-2021 budget include:

State of Florida's new focus on water conservation and restoration of the State's aquifer.

Developing an operational budget that fits the anticipated level of expenditures needed to accomplish District priorities.

### **Requests for Information**

This financial report is designed to provide a general overview of the Suwannee River Water Management District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Suwannee River Water Management District, 9225 CR 49, Live Oak, FL 32060.

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT  
STATEMENT OF NET POSITION  
September 30, 2020**

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 208,389
Investments	44,431,275
Accounts receivable	82,831
Intergovernmental receivables	2,565,149
Prepaid expenses	20,106
Capital assets not being depreciated	
Land	211,637,446
Capital assets, net of accumulated depreciation	
Buildings	3,418,778
Equipment	1,105,381
Total capital assets, net	216,161,605
Total assets	263,469,355
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Other post employee benefits	29,801
PILT payments	14,615
Pension obligations	1,614,390
	1,658,806
<b>LIABILITIES</b>	
Accounts payable	2,219,219
Accrued liabilities	232,064
Interest payable	1,627
Unearned revenues	5,693,488
Damage deposits	60,000
Performance damage deposits	467,024
Compensated absences	63,758
Other post employment benefits	52,857
Net pension liability	515,291
Long-term liabilities	
Compensated absences	361,294
Other post employment benefits	299,520
Due in more than one year, net pension liability	5,314,685
Total liabilities	15,280,827
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension obligations	317,455
<b>NET POSITION</b>	
Net investment in capital assets	216,161,605
Restricted for:	
Florida Forever	18,149
DOT ETDM	42,555
Water Management Lands Trust Fund	9,957
Land Management	2,249,544
Surplus Lands Funds	989,116
DOT Mitigation Projects	312,050
Suwannee River Partnership Projects	844,330
Land Acquisition - Mitigation/Save Our Rivers	8,007,423
Alternative Water Supply	84,532
Project Effectiveness Metrics	517,212
RIVER Cost-Share	2,813,478
Agricultural Cost-Share	3,569,683
Regional Water Resource Projects	3,797,591
Economic Stabilization Reserve	2,434,127
Unrestricted	
Operating Liquidity Reserve	3,651,190
General Fund Operations	4,027,337
Total net position	\$ 249,529,879

See notes to financial statements.

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT**  
**STATEMENT OF ACTIVITIES**  
For the Fiscal Year Ended September 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expenses)
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
<b>Governmental activities:</b>					
Water resource planning and monitoring	\$ 5,779,595	\$ 86,480	\$ 2,155,119	\$ 260,628	\$ (3,277,368)
Acquisition, restoration and public works	10,833,908	550	2,107,535	21,061	(8,704,762)
Operation, maintenance of lands and works	4,148,084	-	9,590,896	402,527	5,845,339
Regulation	1,641,944	205,956	424,433	18,580	(992,975)
Outreach	215,939	-	-	-	(215,939)
Administration	1,790,948	-	-	15,719	(1,775,229)
Land conveyance /exchange	1,554,090	-	-	-	(1,554,090)
<b>Total governmental activities</b>	<b>\$ 25,964,508</b>	<b>\$ 292,986</b>	<b>\$ 14,277,983</b>	<b>\$ 718,515</b>	<b>\$ (10,675,024)</b>

<b>General Revenues</b>	
Property taxes	\$ 6,057,219
Timber sales	1,768,631
Interest income	1,284,752
Other income	26,258
Increase in fair value of investments	468,304
Loss on disposal of assets	(1,314)
<b>Total general revenues</b>	<b>9,603,850</b>
Change in net position	(1,071,174)
Net position at beginning of year	250,687,389
Prior period adjustment	(86,336)
<b>Net position at end of year</b>	<b>\$ 249,529,879</b>

See notes to financial statements.

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
September 30, 2020**

	Special Revenue Funds						Total Governmental Funds
	General Fund	Alternative Water Supply	Springs Appropriations Fund	Land Acquisition & Management Fund	Land Acquisition - Mitigation/Save Our Rivers Fund	Other Governmental Funds	
<b>Assets</b>							
Cash and cash equivalents	\$ 208,389	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 208,389
Investments	44,431,275	-	-	-	-	-	44,431,275
Receivables	-	82,432	-	399	-	-	82,831
Intergovernmental receivables	12,748	-	2,346,801	-	-	205,600	2,565,149
Prepaid expenses	20,106	-	-	-	-	-	20,106
Due from other funds	1,887,962	3,967,430	-	3,748,531	8,007,423	10,504,792	28,116,138
<b>Total assets</b>	<b>46,560,480</b>	<b>4,049,862</b>	<b>2,346,801</b>	<b>3,748,930</b>	<b>8,007,423</b>	<b>10,710,392</b>	<b>75,423,888</b>
<b>Liabilities</b>							
Accounts payable	396,917	63,330	497,608	417,888	-	843,476	2,219,219
Accrued liabilities	232,064	-	-	-	-	-	232,064
Interest payable	-	-	-	-	-	1,627	1,627
Unearned revenues	-	3,902,000	100,000	92,382	-	1,599,106	5,693,488
Due to other funds	26,228,176	-	1,749,193	-	-	138,769	28,116,138
Deposits payable	60,000	-	-	-	-	-	60,000
Performance damage deposits	467,024	-	-	-	-	-	467,024
<b>Total liabilities</b>	<b>27,384,181</b>	<b>3,965,330</b>	<b>2,346,801</b>	<b>510,270</b>	<b>-</b>	<b>2,582,978</b>	<b>36,789,560</b>
<b>Fund balances</b>							
<b>Nonspendable:</b>							
Prepaid expenses	20,106	-	-	-	-	-	20,106
Investment fair value adjustment	859,270	42,437	-	-	217,119	45,067	1,163,893
<b>Restricted for:</b>							
Florida Forever	-	-	-	-	-	17,124	17,124
Water Management Lands Trust Fund	-	-	-	-	-	5,170	5,170
DOT ETDM	-	-	-	-	-	41,401	41,401
Land Management	-	-	-	2,249,544	-	-	2,249,544
Surplus Land Funds	-	-	-	989,116	-	-	989,116
DOT Mitigation Projects	-	-	-	-	-	299,344	299,344
Suwannee River Partnership Projects	-	-	-	-	-	818,935	818,935
Alternative Water Supply	-	42,095	-	-	-	-	42,095
Land Acquisition - PCS Mitigation	-	-	-	-	7,790,304	-	7,790,304
<b>Committed for:</b>							
Project Effectiveness Metrics	-	-	-	-	-	517,212	517,212
RIVER Cost-Share	-	-	-	-	-	2,813,478	2,813,478
Agricultural Cost-Share	-	-	-	-	-	3,569,683	3,569,683
Regional Water Resource Projects	3,797,591	-	-	-	-	-	3,797,591
Economic Stabilization Reserve	2,434,127	-	-	-	-	-	2,434,127
Assigned, Operating Liquidity Reserve	3,651,190	-	-	-	-	-	3,651,190
Unassigned, general fund operations	8,414,015	-	-	-	-	-	8,414,015
<b>Total fund balances</b>	<b>19,176,299</b>	<b>84,532</b>	<b>-</b>	<b>3,238,660</b>	<b>8,007,423</b>	<b>8,127,414</b>	<b>38,634,328</b>
<b>Total liabilities and fund balance</b>	<b>\$ 46,560,480</b>	<b>\$ 4,049,862</b>	<b>\$ 2,346,801</b>	<b>\$ 3,748,930</b>	<b>\$ 8,007,423</b>	<b>\$ 10,710,392</b>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	216,161,605
Deferred outflows/inflows are not available resources, and, therefore are not reported in the funds.	1,341,351
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(6,607,405)
<b>Net position of governmental activities</b>	<b>\$ 249,529,879</b>

See notes to financial statements.

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Fiscal Year Ended September 30, 2020

	Special Revenue Funds						Total Governmental Funds
	General Fund	Alternative Wate Supply	Springs Appropriations Fund	Land Acquisition & Management Fund	Land Acquisition - Mitigation/Save Our Rivers Fund	Other Governmental Funds	
<b>Revenues</b>							
Ad valorem taxes	\$ 5,233,415	\$ -	\$ 104,000	\$ 719,804	\$ -	\$ -	\$ 6,057,219
Intergovernmental revenue	2,837,328	180,432	7,238,553	2,228,957	-	2,511,228	14,996,498
License and permit fees	205,956	-	-	-	-	-	205,956
Charges for service	-	-	-	550	-	86,480	87,030
Timber revenue	-	-	-	1,768,631	-	-	1,768,631
Other income	25,047	-	-	1,211	-	-	26,258
Interest income	972,875	42,095	-	-	223,521	46,261	1,284,752
Increase in fair value of investment	324,049	42,437	-	-	85,160	16,658	468,304
<b>Total revenues</b>	<b>9,598,670</b>	<b>264,964</b>	<b>7,342,553</b>	<b>4,719,153</b>	<b>308,681</b>	<b>2,660,627</b>	<b>24,894,648</b>
<b>Expenditures</b>							
General government							
Water resource planning and monitoring	3,059,519	-	-	-	-	2,265,118	5,324,637
Acquisition, restoration and public works	1,321,176	180,432	7,177,441	23,385	-	1,852,660	10,555,094
Operation, maintenance of lands and works	90,653	-	165,112	3,740,325	-	-	3,996,090
Regulation	1,453,447	-	-	-	-	-	1,453,447
Outreach	186,747	-	-	-	-	-	186,747
Administration	1,531,664	-	-	-	-	-	1,531,664
Capital outlay	101,797	-	-	409,301	-	207,417	718,515
<b>Total general government expenditures</b>	<b>7,745,003</b>	<b>180,432</b>	<b>7,342,553</b>	<b>4,173,011</b>	<b>-</b>	<b>4,325,195</b>	<b>23,766,194</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,853,667</b>	<b>84,532</b>	<b>-</b>	<b>546,142</b>	<b>308,681</b>	<b>(1,664,568)</b>	<b>1,128,454</b>
<b>Other financing sources (uses)</b>							
Transfers in	-	-	-	-	-	2,000,000	2,000,000
Transfers out	(2,000,000)	-	-	-	-	-	(2,000,000)
<b>Total other financing sources (uses)</b>	<b>(2,000,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,000,000</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>(146,333)</b>	<b>84,532</b>	<b>-</b>	<b>546,142</b>	<b>308,681</b>	<b>335,432</b>	<b>1,128,454</b>
<b>Fund balances at beginning of year</b>	<b>19,322,632</b>	<b>-</b>	<b>-</b>	<b>2,692,518</b>	<b>7,698,742</b>	<b>7,791,982</b>	<b>37,505,874</b>
<b>Fund balances at end of year</b>	<b>\$ 19,176,299</b>	<b>\$ 84,532</b>	<b>\$ -</b>	<b>\$ 3,238,660</b>	<b>\$ 8,007,423</b>	<b>\$ 8,127,414</b>	<b>\$ 38,634,328</b>



**SUWANNEE RIVER WATER MANAGEMENT DISTRICT**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

For the Fiscal Year Ended September 30, 2020

Net change in fund balances - total governmental funds		\$ 1,128,454
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Expenditures for capital assets	718,515	
Less current year depreciation	<u>(475,011)</u>	243,504
 The net effect of various miscellaneous transactions involving assets (i.e., contributions, sales, conveyance, and disposals) is to decrease net assets.		
Loss on disposal of fixed assets, net	(1,314)	
Land conveyance/exchange	<u>(1,554,090)</u>	(1,555,404)
 Some expenditures reported in the statement of activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds. Also, recognition of certain obligations related to prior and subsequent periods are not recognized in governmental funds but are recognized in the statement of activities.		
Recognition of changes in deferred inflows and outflows of resources:		
Florida State Retirement Pension	309,789	
OPEB	12,865	
Recognition of changes in long-term debt:		
Compensated absences	(83,655)	
OPEB liability	(247,498)	
Net pension liability	<u>(879,229)</u>	<u>(887,728)</u>
 Change in net position of governmental activities		<u>\$ (1,071,174)</u>

See notes to the financial statements.

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2020**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Suwannee River Water Management District (the District) was established by the Florida Water Resources Act of 1972, Chapter 72-299, Laws of Florida, and operates under Chapter 373, *Florida Statutes*. It was the State of Florida Legislature's stated intent in establishing the District, and other Districts, to provide for the management of water and related land resources, promote the conservation, development, and proper utilization of surface and ground water, develop and regulate dams, impoundments, reservoirs, and other works and to provide water storage for beneficial purposes; prevent damage from floods, soil erosion, and excessive drainage, preserve natural resources, fish and wildlife; promote recreational development, protect public lands and assist in maintaining the navigability of rivers and harbors and otherwise promote the health, safety, and the general welfare of the people of the state.

The District encompasses all or part of fifteen counties in the northeastern part of Florida. There are nine members of the District Governing Board. Each member resides within the District and is appointed by the Governor and confirmed by the Senate. Board members are appointed for a four-year term.

The District's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is responsible for establishing accounting principles generally accepted in the United States of America for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in accounting principles generally accepted in the United States of America and used by the District are discussed below.

**A. Financial Reporting Entity**

As required by accounting principles generally accepted in the United States of America, these financial statements present the District as a component unit of the State of Florida. Based on the criteria listed below, the State of Florida is considered a primary government.

A primary government is financially accountable for an organization if (1) it appoints a voting majority of the organization's governing board, (2) it is able to impose its will on the organization or (3) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government. Based upon these criteria, the District is considered to be a component unit of the State of Florida, and is disclosed as such in the State of Florida financial statements.

**B. Financial Reporting Structure**

The basic financial statements include both government-wide (based on the District as a whole) and fund financial statements.

## **Government-wide Financial Statements**

The government-wide financial statements (i.e. the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. The focus of the government-wide statements is on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Administrative overhead, including centralized expenses, are directly allocated to specific functions and are included in direct expenses. 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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Program revenues are netted within program expenses in the statement of activities to present the net cost of each program.

## **Fund Financial Statements**

The emphasis of fund financial statements is on the District's major funds, each presented in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The District's transactions are recorded in the following fund types:

The General Fund is the principal operating fund used to account for most of the District's general activities.

Special Revenue Funds account for proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

The District reports the following major governmental funds:

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

The Alternative Water Supply Fund accounts for funds provided by the Florida Legislature, and is intended to prioritize water resource and water supply development projects to help protect the water resources and ensure that needs of existing and future users are met.

The Springs Appropriations Fund accounts for funds provided by the Florida Legislature, through the Department of Environmental Protection (FDEP), for projects that improve the quality and quantity of the state's water resources that protect and improve springs. FDEP works closely with the water management districts, local governments and other stakeholders to identify and implement springs projects that achieve restoration goals. State funding assistance is made available to entities to implement these projects under the State Springs Grant Program. These funds may be used for land acquisition intended to protect springs, capital projects that protect the quality and quantity of water that flows from springs, and other viable springs protection, restoration or management projects. Springs are important natural, social, and economic resources for the entire State. The springs throughout the Suwannee River Water Management District (SRWMD) support North Florida's tourism and natural resource based economy.

The Land Acquisition and Management Fund accounts for timber transactions, land use charges and funds appropriated by the State of Florida legislature for the purpose of land management;

maintenance, capital improvements of land titled to the District, and payments in lieu of taxes.

Land Acquisition – Mitigation/Save Our Rivers Fund was set up to account for the purchase of environmentally sensitive lands in areas on the District that currently do not have a source of funding. These funds are subject to the same restriction on use as the Save our Rivers Program.

### **C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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 when the related cash flows take place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange include property taxes, entitlements, and donations. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider 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 or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

Property taxes, intergovernmental revenues, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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.

As a general rule, the effect of interfund activity has been eliminated from the from the government wide financial statements.

### **D. Accounting and Financial Reporting for Pensions**

**GASB Statement No. 68, *Accounting and Financial Reporting for Pensions***—an amendment of **GASB Statement No. 27**, requires the District to recognize as a liability their long-term obligation for pension benefits. The District's liability is to be measured as the difference between the present value of projected benefit payments to be provided through the pension plan for past periods of service less the amount of the pension plan's fiduciary net position. Obligations for the District's cost sharing plans are based on their proportionate share of contributions to the pension plan. The standard also requires immediate recognition of annual service cost, interest and changes in benefits for pension expense; specifies requirements for discount rates, attribution methods; and changes disclosure requirements.

**E. Assets, Liabilities, Deferred Outflows/Inflows, and Net Position or Equity**

**1. Deposits and Investments**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the District to invest in direct obligations of the U.S. Treasury, Local Government Surplus Funds Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1968, SEC registered money market funds with the highest credit quality rating and savings and interest-bearing time deposits or savings accounts in qualified public depositories.

Investments for the District are reported at fair value. The State of Florida Department of Financial Services Special Purpose Investment Account (SPIA) operates in accordance with appropriate State laws and regulations. As a SPIA participant, the District invests in pools of investments whereby the District owns a share of the respective pool, not the underlying securities.

**2. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available resources.

All receivables are shown net of an allowance for uncollectible receivables.

**3. Property Taxes**

The District is authorized by Section 373.503, *Florida Statutes*, to levy ad valorem taxes on all real and personal property located within the District not to exceed .75 mills. The rate for the 2019-2020 fiscal year was .3840 mills. The property assessment and tax collection functions are performed by appropriate officials of county government in each of the fifteen counties comprising the District. Commissions are paid to the counties for these appraisal and collection services.

Taxes are billed and collected for the District by the County Tax Collectors according to *Florida Statutes* under the following calendar:

Lien Date:	January 1
Levy Date:	October 1
Due Date:	November 1
Delinquency Date:	April 1

**4. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

## 5. Capital Assets

Capital assets, which include property, plant, and equipment are reported in the governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$1,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Additions, improvements, and other capital outlay that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Office equipment	10
Mobile equipment	7
Field equipment	7
Computer equipment	5

The District does not own any infrastructure assets.

## 6. Unearned Revenues

Unearned revenues reported in government-wide financial statements represent unearned grant revenues. The unearned revenues will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting. Unearned revenues reported in governmental fund financial statements represent unearned revenues which are measurable but not available and, in accordance with the modified accrual basis of accounting, are reported as unearned revenues. At September 30, 2020, the District reported \$5,693,488 in unearned revenues.

## 7. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation and sick pay benefits are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if it has matured, for example, as a result of employee resignations and retirements.

## 8. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

## **9. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District only has three items that qualify for reporting in this category. The first is the deferred charge on pensions in the government-wide statement of net position. Deferred outflows on pensions are recorded when actual earnings on pension plan investments exceed projected earnings and are amortized to pension expense using a systematic and rational method over a closed five-year period. Deferred outflows on pensions also include the difference between expected and actual experience with regard to economic or demographic factors; changes of assumptions about future economic, demographic, or other input factors; or changes in the District's proportionate share of net pension liability. These are amortized over the average expected remaining service lives of all employees that are provided with pensions through each pension plan. Contributions to pension plans made subsequent to the measurement date are also deferred and reduce net pension liability in the subsequent year. The second is the deferred outflows of payments in lieu of taxes (PILT) in the government-wide statement of net position. The deferred outflow of PILT is related to a land transaction whereby the PILT will be amortized over a period of time agreed to by the parties. The third type of deferred outflow recorded in the financial statements is related to the Other Post-Employment Obligations of the District. This deferred outflow is related to the benefits paid subsequent to year end.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which is related to pensions. Deferred inflows on pension plan investments exceed actual earnings and are amortized to pension expense using a systematic and rational method over a closed five-year period. Deferred inflows on pensions also include the difference between expected and actual experience with regard to economic or demographic factors; changes of assumptions about future economic, demographic, or other input factors; or changes in the District's proportionate share of net pension liability. These are amortized over the average expected remaining service lives of all employees that are provided with pensions through each pension plan.

## **10. Fund Balances**

### **A. Governmental Funds**

As of September 30, 2020, fund balances of the governmental funds are classified as follows:

**Non-spendable** – amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

**Restricted** – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

**Committed** – amounts that can be used only for specific purposes determined by a formal action of the District. The Board is the highest level of decision making authority for the District.

Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District’s adopted policy, only the Executive Director may assign amounts for specific purposes.

Unassigned – all other spendable amounts.

As of September 30, 2020, fund balances are composed of the following:

	<u>Governmental Funds</u>
Nonspendable, Prepaid Expenses	\$ 20,106
Nonspendable, General Fund Investment Fair Value Adjustment	859,270
Nonspendable, Other Governmental Fund Investment Fair Value Adjustment	45,067
Nonspendable, Land Acquisition - Mitigation/Save Our Rivers Investment Fair Value Adjustment	217,119
Nonspendable, Alternative Water Supply Investment Fair Value Adjustment	42,437
Restricted, Florida Forever	17,124
Restricted, Water Management Lands Trust Fund	5,170
Restricted, DOT ETDM	41,401
Restricted, Land Management	2,249,544
Restricted, Surplus Land Funds	989,116
Restricted, DOT Mitigation Projects	299,344
Restricted, Suwannee River Partnership Projects	818,935
Restricted, Alternative Water Supply	42,095
Restricted, Land Acquisition - Mitigation/Save Our Rivers	7,790,304
Committed, Project Effectiveness Metrics	517,212
Committed, RIVER Cost-Share	2,813,478
Committed, Agricultural Cost-Share	3,569,683
Committed, Regional Water Source Projects	3,797,591
Committed, Economic Stabilization Reserve	2,434,127
Assigned, Operating Liquidity	3,651,190
Unassigned, General Fund Operations	8,414,015
	<u>\$ 38,634,328</u>

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

## 11. Use of Estimates

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



**NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of Differences Between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Position.**

“Total fund balances” of the District’s governmental funds \$38,634,328 differs from “net position” of governmental activities \$249,529,879 reported in the statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental funds balance sheet.

Capital related items

When capital assets (property, plant, equipment) that are to be used in governmental activities are purchased or constructed, the cost of these assets are reported as expenditures in governmental funds. However, the statement of net position included those capital assets among the assets of the District as a whole.

Cost of capital assets	\$ 221,116,895
Accumulated depreciation	(4,955,290)
	<u>\$ 216,161,605</u>

Long-term debt transactions

Long-term liabilities applicable to the District’s governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the statement of net position. Balances at September 30, 2020, were:

Compensated absences	\$ (425,052)
Other post-employment benefits	(352,377)
Net pension liability	(5,829,976)
	<u>\$ (6,607,405)</u>

Deferred outflows/inflows of resources

Deferred outflows of resources represent a consumption of net position in a future period while deferred inflows of resources represent an acquisition of net position in a future period and accordingly, are not reported in the governmental fund statements. However, the statement of net position included those deferred outflows/inflows of resources.

Deferred outflows	\$ 1,658,806
Deferred inflows	(317,455)
	<u>\$ 1,341,351</u>

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT**

**NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of Differences Between Governmental Fund Balance Sheet and the Government-wide Statement of Net Position**

	Total Governmental Funds	Deferred Outflows/Inflows	Capital Related Items	Long-term Debt Transactions	Eliminations	Statement of Net Position
<b>ASSETS</b>						
Cash and cash equivalents	\$ 208,389	\$ -	\$ -	\$ -	\$ -	\$ 208,389
Investments	44,431,275	-	-	-	-	44,431,275
Receivables	82,831	-	-	-	-	82,831
Intergovernmental receivables	2,565,149	-	-	-	-	2,565,149
Prepaid expenses	20,106	-	-	-	-	20,106
Due from other funds	28,116,138	-	-	-	(28,116,138)	-
Capital assets - net	-	-	216,161,605	-	-	216,161,605
<b>Total assets</b>	<b>75,423,888</b>	<b>-</b>	<b>216,161,605</b>	<b>-</b>	<b>(28,116,138)</b>	<b>263,469,355</b>
<b>DEFERRED OUTFLOWS</b>						
OPEB obligation	-	29,801	-	-	-	29,801
PILT payments	-	14,615	-	-	-	14,615
Pension obligations	-	1,614,390	-	-	-	1,614,390
	<b>-</b>	<b>1,658,806</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,658,806</b>
<b>LIABILITIES</b>						
Accounts payable	2,219,219	-	-	-	-	2,219,219
Accrued liabilities	232,064	-	-	-	-	232,064
Interest payable	1,627	-	-	-	-	1,627
Unearned revenues	5,693,488	-	-	-	-	5,693,488
Due to other funds	28,116,138	-	-	-	(28,116,138)	-
Deposits payable	60,000	-	-	-	-	60,000
Performance damage deposits	467,024	-	-	-	-	467,024
Compensated absences	-	-	-	425,052	-	425,052
OPEB liability	-	-	-	352,377	-	352,377
Net pension liability	-	-	-	5,829,976	-	5,829,976
<b>Total liabilities</b>	<b>36,789,560</b>	<b>-</b>	<b>-</b>	<b>6,607,405</b>	<b>(28,116,138)</b>	<b>15,280,827</b>
<b>DEFERRED INFLOWS</b>						
	<b>-</b>	<b>317,455</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>317,455</b>
<b>FUND BALANCE/NET POSITION</b>						
Fund balance/net position	\$ 38,634,328	\$ 1,341,351	\$ 216,161,605	\$ (6,607,405)	\$ -	\$ 249,529,879

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

The “net change in fund balances” for governmental funds \$ 1,128,454 differs from the “change in net position” for governmental activities (\$1,071,174) reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

**Capital related items**

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balances decrease by the amount of financial resources expended, whereas net position decreases by the amount of depreciation expense charges for the year.

Capital outlay	\$ 718,515
Depreciation expense	(475,011)
Loss of disposals and grants	(1,555,404)
	<u>\$ (1,311,900)</u>

**Long-term debt related items**

Some expenses reported in the statement of activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.

Net increase in compensated absences	\$ (83,656)
Net increase in other post-employment benefits	(247,498)
Net decrease in net pension expense	(879,229)
	<u>\$ (1,210,383)</u>

**Other items**

Recognition of certain obligations related to prior and subsequent periods are not recognized in the governmental funds.	<u>\$ 322,655</u>
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**SUWANNEE RIVER WATER MANAGEMENT DISTRICT**

**NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS.**

**B. Explanation of Difference Between Government Fund Operating Statements and the Statement of Activities**

	Total Governmental Funds	Capital Related Items	Long-term Debt Transactions/ Eliminations	Deferred Outflows/Inflows	Statement of Activities
<b>Revenues</b>					
Ad valorem taxes	\$ 6,057,219	\$ -	\$ -	\$ -	\$ 6,057,219
Intergovernmental revenue	14,996,498	-	-	-	14,996,498
License and permit fees	205,956	-	-	-	205,956
Charges for service	87,030	-	-	-	87,030
Timber revenue	1,768,631	-	-	-	1,768,631
Interest income	1,284,752	-	-	-	1,284,752
Increase in fair value of investment	468,304	-	-	-	468,304
Other income	26,258	-	-	-	26,258
<b>Total revenues</b>	<b>24,894,648</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,894,648</b>
<b>Expenditures</b>					
General government					
Water resource planning and monitoring	5,324,637	158,010	414,828	(117,880)	5,779,595
Acquisition, restoration and public works	10,555,094	114,034	215,712	(50,932)	10,833,908
Operation, maintenance of lands and work	3,996,090	59,305	124,313	(31,624)	4,148,084
Regulation	1,453,447	15,654	235,611	(62,768)	1,641,944
Outreach	186,747	7,198	29,621	(7,627)	215,939
Administration	1,531,664	120,810	190,298	(51,824)	1,790,948
Land conveyance /exchange	-	1,554,090	-	-	1,554,090
Capital outlay	718,515	(718,515)	-	-	-
<b>Total general government expenditures</b>	<b>23,766,194</b>	<b>1,310,586</b>	<b>1,210,383</b>	<b>(322,655)</b>	<b>25,964,508</b>
<b>Excess of revenues over expenditures</b>	<b>1,128,454</b>	<b>(1,310,586)</b>	<b>(1,210,383)</b>	<b>322,655</b>	<b>(1,069,860)</b>
<b>Other financing sources (uses)</b>					
Transfers in	2,000,000	-	(2,000,000)	-	-
Transfers out	(2,000,000)	-	2,000,000	-	-
Gain (loss) on disposal of assets	-	(1,314)	-	-	(1,314)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(1,314)</b>	<b>-</b>	<b>-</b>	<b>(1,314)</b>
<b>Net change in fund balance</b>	<b>1,128,454</b>	<b>(1,311,900)</b>	<b>(1,210,383)</b>	<b>322,655</b>	<b>(1,071,174)</b>
Prior period adjustment	-	(86,336)	-	-	(86,336)
<b>Fund balance at beginning of year</b>	<b>37,505,874</b>	<b>217,559,841</b>	<b>(5,397,022)</b>	<b>1,018,696</b>	<b>250,687,389</b>
<b>Fund balance at end of year</b>	<b>\$ 38,634,328</b>	<b>\$ 216,161,605</b>	<b>\$ (6,607,405)</b>	<b>\$ 1,341,351</b>	<b>\$ 249,529,879</b>

### NOTE 3. DETAILED NOTES ON ALL FUNDS

#### A. Deposits and Investments

*Deposits.* At year end, the carrying amount of the District's deposits was \$208,389. The entire bank balance of \$703,336, was covered by Federal depository insurance or by collateral, held by the District's custodial bank, which is pledged to a state trust fund that provides security in accordance with the Florida Security for Deposits Act, Chapter 280, for amounts held in excess of FDIC coverage.

The Florida Security for Public Deposits Act established guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral.

*Investments.* The foremost objective of the District's investment policy is the safety of capital and liquidity of funds. Achieving an optimal rate of return is of secondary importance as compared to the safety and liquidity of funds. The District's investment policy limits investments to those relatively low risk securities authorized in anticipation of earning a fair return relative to the risk being assumed. How the District manages credit risk, interest rate risk, and custodial credit risk is as follows:

Credit Risk: The District is a participant in the State of Florida Department of Financial Services Special Purpose Investment Account ("SPIA"). As a SPIA participant, the District invests in the Florida Treasury Investment Pool. The Florida Treasury Investment Pool is a pool of investments whereby the District owns a share of the pool, not the underlying securities. The Florida Treasury Investment Pool is rated by Standard and Poor's. The current rating is AA-f. The unaudited fair value factor for September 30, 2020 of this pool was 1.0269. This fair value factor is also posted to the Florida State Treasury website at [www.fltreasury.org](http://www.fltreasury.org).

Interest Rate Risk: The District manages its exposure to declines in fair values of investments by investing operating funds primarily in shorter-term securities, State of Florida Department of Financial Services Special Purpose Investment Account. The effective duration of SPIA at September 30, 2020 was 0.04 years.

Custodial Credit Risk: Investments are subject to custodial credit risk if the securities are uninsured, not registered in the District's name, and are held by the party that either sells to or buys for the District. No investments held at year end were subject to custodial credit risk. The District owns shares of the Florida Treasury Investment Pool, and not the underlying investments. The District has not participated in a securities lending program in the fiscal year ending September 30, 2020.

Foreign Currency Risk: State law and investment policy do not authorize the Treasury Investment Pool to purchase investments in foreign currencies. Therefore, the Treasury Investment Pool is not exposed to Foreign Currency Risk.

Fair Value Hierarchy: Participants contribute to the Treasury Pool on a dollar basis. These funds are commingled and a fair value of the pool is determined from the individual values of the securities. The fair value of the securities is summed and a total pool fair value is determined. A fair value factor is calculated by dividing the pool's total fair value by the pool participant's total cash balances. The fair value factor is the ratio used to determine the fair value of an individual participant's pool balance.

As of September 30, 2020, the District had the following investments reported fair values:

Florida Treasury Investment Pool	<u>Fair Value</u> <u>\$ 44,431,275</u>
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**B. Unearned Revenue**

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds was as follows:

Drawdowns prior to meeting all eligibility requirements	<u>Unearned</u> <u>\$ 5,693,488</u>
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**C. Receivables**

Receivables as of year-end for the government's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Other Governmental Funds	Total
Receivables:			
Intergovernmental	\$ 12,748	\$ 2,552,401	\$ 2,565,149
Other	-	82,831	82,831
Gross total receivables	<u>\$ 12,748</u>	<u>\$ 2,635,232</u>	<u>\$ 2,647,980</u>

**D. Capital Assets**

Capital asset activity for the year ended September 30, 2020, was as follows:

	Beginning	Additions	Deletions	Adjustments	Ending
<b>Non-depreciable:</b>					
Land	\$ 153,714,807	\$ 6,774	\$ (1,554,090)	\$ -	\$ 152,167,491
Easements	59,432,271	-	-	-	59,432,271
Land - Headquarters	37,685	-	-	-	37,685
	<u>213,184,763</u>	<u>6,774</u>	<u>(1,554,090)</u>	<u>-</u>	<u>211,637,447</u>
<b>Depreciable:</b>					
Buildings and improvements	6,405,546	240,830	-	-	6,646,376
Office/field	1,055,460	250,281	(27,239)	-	1,278,502
Computer	687,636	94,312	(34,147)	-	747,801
Mobile	713,116	126,318	(32,664)	-	806,770
	<u>8,861,758</u>	<u>711,741</u>	<u>(94,050)</u>	<u>-</u>	<u>9,479,449</u>
Total capital assets	<u>222,046,521</u>	<u>718,515</u>	<u>(1,648,140)</u>	<u>-</u>	<u>221,116,896</u>
<b>Depreciation:</b>					
Building	(3,041,235)	(186,364)	-	-	(3,227,599)
Office/field	(683,179)	(121,017)	27,217	(16,627)	(793,606)
Computer	(421,871)	(80,129)	33,297	(60,440)	(529,143)
Mobile	(340,395)	(87,501)	32,222	(9,269)	(404,943)
	<u>(4,486,680)</u>	<u>(475,011)</u>	<u>92,736</u>	<u>(86,336)</u>	<u>(4,955,291)</u>
Net depreciable assets	<u>4,375,078</u>	<u>236,730</u>	<u>(1,314)</u>	<u>(86,336)</u>	<u>4,524,158</u>
Total assets	<u>\$ 217,559,841</u>	<u>\$ 243,504</u>	<u>\$ (1,555,404)</u>	<u>\$ (86,336)</u>	<u>\$ 216,161,605</u>

Depreciation expense was charged to functions of the District as follows:

Governmental Activities	
Water, resource, planning and monitoring	\$ 158,010
Acquisition, restoration and public works	114,034
Operation, maintenance of lands and works	59,305
Regulation	15,654
Outreach	7,198
Administration	120,810
Total depreciation expense	<u>\$ 475,011</u>

**E. Interfund Balances and Activity**

**Interfund Receivables/Payables**

	Due To	Due From
General Fund	\$ 26,228,176	\$ 1,887,962
Alternative Water Supply	-	3,967,430
Springs Appropriations	1,749,193	-
Land Acquisition & Management Fund	-	3,748,531
Land Acquisition - Mitigation/Save Our Rivers	-	8,007,423
Middle Suwannee Fund	-	270,116
Water Management Lands Trust Funds - Springs	-	176,483
Monitor Well Fund Project Effectiveness Metric	-	520,497
Land Conservation Fund	-	43,149
FDOT ETDM Fund	-	42,555
FDOT Mitigation Fund	-	467,792
Minimum Flows and Minimum Water Levels Fund	-	1,164,832
Suwannee River Partnership Water Use Fund	-	844,330
District Agricultural Cost-Share Fund	-	3,626,070
District RIVER Cost-Share Fund	-	3,348,968
Reimbursable Grants	138,769	-
	<u>\$ 28,116,138</u>	<u>\$ 28,116,138</u>

Interfund receivables/payables represent loans to fund expenditures of other funds.

**Transfers To/From Other Funds**

Fund	Transfers In	Transfers Out
General Fund	\$ -	\$ 2,000,000
District Agriculture Cost- Share Fund	1,000,000	-
District River Cost- Share Fund	1,000,000	-
	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>

The transfers were budgeted transfers to allocate unassigned general fund balances to specific District projects.

**F. Leases**

**Operating Leases.** The District leases equipment under noncancellable operating leases. Lease expenditures for the year ended September 30, 2020, amounted to \$58,877. The future minimum lease payments for leases are as follows:

Fiscal Year Ending September 30,	Amount
2021	\$ 61,766
2022	59,485
2023	34,611
2024	29,759
	<u>\$185,621</u>

## G. Long-term Liabilities

**Changes in Long-term Liabilities:** Long-term liability activity for the year ended September 30, 2020, was as follows:

	Balance 10/01/19	Additions	Reductions	Balance 09/30/20	Due Within One Year
Governmental activities:					
Compensated absences	\$ 341,396	\$ 321,803	\$ (238,147)	\$ 425,052	\$ 63,758
Other post-employment benefits	104,879	247,498	-	352,377	52,857
Net pension liability	4,950,747	1,336,025	(456,796)	5,829,976	515,291
	<u>\$ 5,397,022</u>	<u>\$ 1,905,326</u>	<u>\$ (694,943)</u>	<u>\$ 6,607,405</u>	<u>\$ 631,906</u>

The compensated absences liability, other post-employment benefits, and net pension liability will be liquidated primarily by the General Fund.

## H. Road Improvements – Deferred PILT Payments

In February, 2011, the District and Gilchrist County entered into an agreement related to a road improvement project which would repave the entrance road to Otter Springs, located in Gilchrist County. Under the terms of the agreement, Gilchrist County agreed to forego 12 annual PILT payments, payable by the District in consideration for the District's completion of \$212,000 in improvements to the entrance road. This transaction has resulted in deferred outflows in the amount of \$212,000, which has been amortized over the succeeding 12 years. The balance of the deferred outflow related to the PILT payments was \$14,615 as of September 30, 2020.

## NOTE 4. OTHER INFORMATION

### A. 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; and natural disasters for which the District carries commercial insurance. Settlements have not exceeded insurance coverage for any of the past three fiscal years.

### B. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally Federal and State governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the District.



### **C. Deferred Compensation Plan**

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time District employees, permits the participants to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseen financial emergency. The District does not contribute to the 457 plan. Participation under the plan is solely at the discretion of the employee.

The District has no liability for losses under the 457 plan but does have the duty of due care that would be required of an ordinary prudent investor. The District does not have a fiduciary relationship with the plan. Therefore, the assets and liabilities related to the plan are not recorded in the District's financial statements.

### **D. Related Party Balances and Transactions**

Two Board members had timber service agreements with the Suwannee River Water Management District. The District received \$ 78,639 in timber related revenue agreements from those members.

Three Board members were approved to participate in the District Agricultural Cost-Share Program receiving \$201,408. This noncompetitive program assists farmers in upgrading irrigations systems to reduce water use and nitrogen loading.

Five Board members hold environmental resource permits. Three Board members hold agricultural water use permits, and two Board members hold works of the District permits.

## **NOTE 5. COST-SHARING MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLANS – FLORIDA RETIREMENT SYSTEM PENSION PLAN AND THE RETIREMENT HEALTH INSURANCE SUBSIDY PROGRAM**

### **A. Florida Retirement System**

General Information - All of the District's employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, *Florida Statutes*, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Under Section 121.4501, *Florida Statutes*, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, which is administered by the State Board of Administration ("SBA"). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, *Florida Statutes*, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site: [www.dms.myflorida.com/workforce\\_operations/retirement/publications](http://www.dms.myflorida.com/workforce_operations/retirement/publications).

## **B. Pension Plan**

Plan Description – The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (“DROP”) for eligible employees.

Benefits Provided - Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers’ class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers’ class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, *Florida Statutes*, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three 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 three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period

not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants

**Contributions** – Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2019 through June 30, 2020 and from July 1, 2020 through September 30, 2020, respectively, were as follows: Regular—8.47% and 10.00%; Special Risk Administrative Support—38.59% and 35.84%; Special Risk—25.48% and 24.45%; Senior Management Service—25.41% and 27.29%; Elected Officers’—48.82% and 49.18%; and DROP participants—14.60% and 16.98%. These employer contribution rates include a 1.66% and 1.66% HIS Plan subsidy for the periods October 1, 2019 through June 30, 2020 and from July 1, 2020 through September 30, 2020, respectively.

The District's contributions, including employee contributions, to the Pension Plan totaled \$465,924 for the fiscal year ended September 30, 2020.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** – At September 30, 2020, the District reported a liability of \$4,393,909 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The District's proportionate share of the net pension liability was based on the District's 2019-20 fiscal year contributions relative to the 2019-20 fiscal year contributions of all participating members. At June 30, 2020, the District's proportionate share was .00010137885 percent, which was a decrease of .000000199 percent from its proportionate share measured as of June 30, 2019.

For the fiscal year ended September 30, 2020, the District recognized pension expense of \$879,644. In addition the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 168,164	\$ -
Changes in assumptions	795,437	-
Net difference between projected and actual earnings on Pension Plan investments	261,618	-
Changes in proportion and differences between District Pension Plan contributions and proportionate share of contributions	5,121	(195,661)
District Pension Plan contributions subsequent to the measurement date	106,664	-
<b>Total</b>	<b>\$ 1,337,004</b>	<b>\$ (195,661)</b>

The deferred outflows of resources related to the Pension Plan, totaling \$106,664 resulting from District contributions to the Plan subsequent to the measurement date, will be recognized as a

reduction of the net pension liability in the fiscal year ended September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2021	\$ 213,222
2022	332,081
2023	282,268
2024	168,741
2025	38,367
Thereafter	-
	\$ 1,034,679

**Actuarial Assumptions** – The total pension liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation
Discount rate	6.80%

Mortality rates were based on the PUB-2010 base table, generational mortality using the gender specific MP 2018 mortality improvement projection scale.

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, 2008 through June 30, 2013.

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

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.2%	2.2%	1.2%
Fixed income	19.0%	3.0%	2.9%	3.5%
Global equity	54.2%	8.0%	6.7%	17.1%
Real estate	10.3%	6.4%	5.8%	11.7%
Private equity	11.1%	10.8%	8.1%	25.7%
Strategic investments.	4.4%	5.5%	5.3%	6.9%
Total	100.0%			
Assumed inflation - mean			2.4%	1.7%

**Discount Rate** - The discount rate used to measure the total pension liability was 6.80%. The Pension 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 calculation of the total pension liability is equal to the long-term expected rate of return.

**Sensitivity of the District's Proportionate Share of the Net Position Liability to Changes in the Discount Rate** - The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 6.80%, 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 one percentage point lower (5.80%) or one percentage point higher (7.80%) 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	\$ 7,016,334	\$ 4,393,909	\$ 2,203,648

**Pension Plan Fiduciary Net Position** - Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

**Payables to the Pension Plan** - At September 30, 2020, the District had \$38,761 payable for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2020.

### C. HIS Plan

**Plan Description** - The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, *Florida Statutes*, and may be amended by the Florida legislature at any time. 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 Florida Department of Management Services, Division of Retirement.

**Benefits Provided** - For the fiscal year ended September 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may 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 fiscal year ended September 30, 2020, the HIS contribution for the period October 1, 2019 through June 30, 2020 and from July 1, 2020 through September 30, 2020 was 1.66% and 1.66%, respectively. The District contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The District's contributions to the HIS Plan totaled \$94,280 for the fiscal year ended September 30, 2020.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - At September 30, 2020, the District reported a liability of \$1,436,067 for its proportionate share of the HIS Plan's net pension liability. The net pension liability

was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The District's proportionate share of the net pension liability was based on the District's 2019-20 fiscal year contributions relative to the 2018-19 fiscal year contributions of all participating members. At June 30, 2020, the District's proportionate share was .00011761558 percent, which was an decrease of .000005085 percent from its proportionate share of .00011881414 measured as of June 30, 2019.

For the fiscal year ended September 30, 2020, the District recognized HIS expense of \$109,478. In addition the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 58,744	\$ (1,108)
Changes in assumptions	154,418	(83,502)
Net difference between projected and actual earnings on HIS Plan investments	1,147	-
Changes in proportion and differences between District HIS Plan contributions and proportionate share of contributions	45,240	(37,184)
District HIS Plan contributions subsequent to the measurement date	17,837	-
<b>Total</b>	<b>\$ 277,386</b>	<b>\$ (121,794)</b>

The deferred outflows of resources related to the HIS Plan, totaling \$17,837 resulting from District contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2021	\$ 38,125
2022	28,280
2023	7,728
2024	17,944
2025	24,434
Thereafter	21,244
	<b>\$ 137,755</b>

**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%
Salary increases	3.25%, average, including inflation
Municipal bond rate	2.21%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial valuation was prepared as of July 1, 2019, and updated procedures were used to determine the liability as of June 30, 2020.

**Discount Rate** - The discount rate used to measure the total pension liability was 2.21%. In general, the discount rate for calculating the total pension 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 HIS 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 Position Liability to Changes in the Discount Rate** - The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 2.21%, 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 one percentage point lower (1.21%) or one percentage point higher (3.21%) than the current rate:

	1% Decrease 1.21%	Current Discount Rate 2.21%	1% Increase 3.21%
District's proportionate share of the net pension liability	\$ 1,660,029	\$ 1,436,067	\$ 1,252,754

**Pension Plan Fiduciary Net Position** - Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

**Payables to the Pension Plan** - At September 30, 2020, the District had \$7,838 payable for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2020.

**D. Investment Plan**

The SBA administers the defined contribution plan officially titled the FRS 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 District Officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2018-19 fiscal year, as established by Section 121.72, *Florida Statutes*, are based on a percentage of gross compensation, by class, as follows: Regular class 3.30%, Special Risk Administrative Support class 4.95%, Special Risk class 11.0%, Senior Management Service class 4.67% and District Elected Officers class 8.34%.

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

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 Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The District had nineteen participants in the Investment Plan for the fiscal year ended September 30, 2020.

## **NOTE 6. OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

### **Plan Description**

The District has previously established and maintains an employee group health insurance plan (the Plan) that it makes available to eligible retirees in accordance with the State of Florida law and City ordinance. The Plan is a single employer, experience rated insurance plan that provides medical benefits to eligible retirees and their eligible dependents. The postretirement benefit portion of the Plan refers to the medical benefits applicable to current and future retirees and their eligible dependents. The Plan does not issue a stand-alone report and is not included in the report of a Public Employee Retirement System or another entity.

Membership of each plan consisted of the following as of the measurement date of September 30, 2019:



Date of Actuarial Valuation:	<u>September 30, 2019</u>
Retirees and Beneficiaries Receiving Benefits	2
Active Plan Members	<u>62</u>
Total	<u><u>64</u></u>

### Funding Policy

In prior years, the District has followed a pay-as-you-go funding policy, contributing only those amounts necessary to provide for its portion of current year benefit cost and expenses. The contribution requirements of plan members, if any, are established by the District. Eligible retirees pay the full cost of blended rate premiums associated with the medical plan elected; no direct District subsidy is currently applicable. However, there are implicit costs of the medical plan for retirees, as their claims experience is higher than the blended rate premiums. State of Florida Law prohibits the District from separately rating retirees and active employees specifically for medical plan benefits. The District, therefore, assigns eligible active employees and eligible retirees equal, blended-rate premiums and makes available to both groups the same plan options. Although both groups are assigned the same blended rate premiums, generally accepted auditing principles (GAAP) requires the actuarial liabilities presented below to be calculated using age-adjusted premiums approximating claim costs for eligible retirees separate from active eligible members. The use of age-adjusted premiums results in the full expected retiree obligation recognized in this disclosure.

### Annual OPEB Costs and Net OPEB Obligation

The Annual OPEB Cost is the amount that was expensed for the fiscal year. Since the District's OPEB plan is currently unfunded, the offset to that expense comes from subsidies paid on behalf of the current retirees and their dependents for the current year. This offset is called the Employer Contribution, and equals the total age-adjusted premiums paid by the District for coverage for the retirees and their dependents for the year (net of the retiree's own payments for the year). The cumulative difference between the Annual OPEB Cost for the year and the Employer Contribution for the year is called the Net OPEB Obligation. The Net OPEB Obligation is reflected as a liability in the statement of net position.

OPEB Expense- For the year ended September 30, 2020, the District recognized OPEB expense of \$247,498.

**Total OPEB Liability** - The District's total OPEB liability as of September 30, 2020 was determined by an actuarial valuation as of September 30, 2019 using September 30, 2019 as the measurement date. The actuarial assumptions used in the September 30, 2019 valuation with a measurement date of September 30, 2019 were as follows:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	3.00%
Discount Rate	2.75%
Initial Trend Rate FY beginning 2020	8.00%
Trend Rate for FY beginning 2021	7.50%
Ultimate Trend Rate	4.00%

Retirement age varies based on several factors including plan-specific retirement eligibility provisions and experience.

Mortality assumptions are based upon RP-2000 Generational Combined Healthy Participant mortality tables, projected from the year 2000 using Projection Scale AA.

Healthcare Cost Trend Rates are 8.00% for the fiscal year beginning 2020, 7.50% for the fiscal year beginning 2021 and then gradually decreasing to an ultimate trend rate of 4.00%.

Other information:

Changes in assumptions and other inputs include the change in the discount rate from 3.83% as of the beginning of the measurement period to 2.75% as of September 30, 2019. This change is reflected in the Schedule of Changes in Total OPEB Liability.

There were no benefit changes during the year.

For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this AMM roll forward calculation, the municipal bond rate is 2.75% (based on the daily rate of Fidelity's "20-Year Municipal GO AA Index" closest to but not later than the measurement date). The discount rate was 3.83% as of the previous measurement date.

There are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

**Changes in the Total OPEB Liability:**

<u>Measurement Fiscal Year Ended September 30,</u>	<u>2019</u>
Total OPEB Liability	
Service cost	\$ 9,310
Interest	4,049
Changes in benefit terms	-
Difference between expected and actual experience of Total OPEB Liability	149,893
Changes in assumptions and inputs	101,180
Benefit payments	(16,934)
Net changes	<u>247,498</u>
Total OPEB Liability - Beginning of Fiscal Year	104,879
Total OPEB Liability - Ending of Fiscal Year	<u><u>\$ 352,337</u></u>
Covered Employee Payroll	\$ 3,917,555
Total OPEB Liability as a percentage of Covered Employee Payroll	8.99%

Sensitivity of the total OPEB liability to changes in the discount rate - The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.75%) or 1 percentage point higher (3.75%) than the current discount rate.

	<u>1% Decrease</u> <u>(1.75%)</u>	<u>Discount Rate</u> <u>(2.75%)</u>	<u>1% Increase</u> <u>(3.75%)</u>
Total other postemployment benefits liability	<u>\$ 372,219</u>	<u>\$ 352,377</u>	<u>\$ 333,356</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates - The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Healthcare Cost</u> <u>Trend Rate Assumption</u>	<u>1% Increase</u>
Total other postemployment benefits liability	<u>\$ 330,104</u>	<u>\$ 352,377</u>	<u>\$ 378,031</u>

**Statement of OPEB expense Employer Fiscal Year End September 30, 2020:**

(Based on Measurement Period Ending September 30, 2019.)

OPEB Expense		
Service cost	\$	9,310
Interest on the Total OPEB Liability		4,049
Changes in benefit terms		-
Difference between expected and actual experience of Total OPEB Liability		149,893
Changes in assumptions and inputs		101,180
Benefit payments		(16,934)
Total OPEB Expense	<u>\$</u>	<u>247,498</u>

**Schedule of Employer Contributions**

<u>Year Ended September 30</u>	<u>Annual OPEB Expense</u>	<u>% Contributed</u>	<u>Net OPEB Obligation</u>
2015	\$ 4,929	0%	\$ 387,168
2016	(9,196)	0%	377,972
2017	(13,262)	0%	364,710
2018	(19,920)	0%	112,588
2019	(7,709)	0%	104,879
2020	247,498	0%	352,337

**NOTE 7. CONTINGENT LIABILITIES**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the State and Federal governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) was characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the Organization. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel and meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

**NOTE 8. PRIOR PERIOD ADJUSTMENT**

In the prior year, the accumulated depreciation for equipment was understated for office/field in the amount of \$16,627, computer by \$60,440 and mobile by \$9,269. These errors resulted in the net assets and net capital assets being overstated by a total amount of \$86,336 and the following prior period adjustment corrects the affected balances:

	<u>Balance September 30, 2019</u>	<u>Prior Period Adjustment</u>	<u>Restated Balance September 30, 2019</u>
Capital Assets (net)	217,559,841	(86,336)	217,473,505
Net Position	250,687,389	(86,336)	250,601,053

**REQUIRED SUPPLEMENTARY INFORMATION**

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Fiscal Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		Positive (Negative)
<b>Revenues</b>				
Ad valorem taxes	\$ 4,805,023	\$ 4,805,023	\$ 5,233,415	\$ 428,392
Licenses and permits	163,000	163,000	205,956	42,956
Intergovernmental revenue	2,740,000	2,740,000	2,837,328	97,328
Other income	-	-	25,047	25,047
Interest income	130,000	130,000	972,875	842,875
Investment fair market value adjustment	-	-	324,049	324,049
<b>Total revenues</b>	<b>7,838,023</b>	<b>7,838,023</b>	<b>9,598,670</b>	<b>1,760,647</b>
<b>Expenditures</b>				
General government				
Salaries and benefits	5,160,643	5,138,908	4,693,677	445,231
Professional services	1,800,786	1,822,521	1,026,544	795,977
Operating expenditures	955,822	955,822	704,508	251,314
Intergovernmental expenditures	2,144,500	2,144,500	1,218,477	926,023
Capital outlay	165,456	165,456	101,797	63,659
<b>Total general government expenditures</b>	<b>10,227,207</b>	<b>10,227,207</b>	<b>7,745,003</b>	<b>2,482,204</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(2,389,184)</b>	<b>(2,389,184)</b>	<b>1,853,667</b>	<b>4,242,851</b>
<b>Other financing sources (uses)</b>				
Transfers out	(60,000)	(2,060,000)	(2,000,000)	60,000
<b>Total other financing sources (uses)</b>	<b>(60,000)</b>	<b>(2,060,000)</b>	<b>(2,000,000)</b>	<b>60,000</b>
<b>Net change in fund balance</b>	<b>(2,449,184)</b>	<b>(4,449,184)</b>	<b>(146,333)</b>	<b>4,302,851</b>
<b>Fund balance at beginning of year</b>	<b>19,322,632</b>	<b>19,322,632</b>	<b>19,322,632</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 16,873,448</b>	<b>\$ 14,873,448</b>	<b>\$ 19,176,299</b>	<b>\$ 4,302,851</b>

See notes to required supplementary information.

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT**  
**ALTERNATIVE WATER SUPPLY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Fiscal Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Interest revenue	\$ -	\$ -	\$ 42,095	\$ 42,095
Investment fair market value adjustment	-	-	42,437	42,437
Intergovernmental revenue	5,100,000	5,100,000	180,432	(4,919,568)
<b>Total revenues</b>	<b>5,100,000</b>	<b>5,100,000</b>	<b>264,964</b>	<b>(4,919,568)</b>
<b>Expenditures</b>				
General government				
Professional services	1,100,000	1,100,000	31,872	1,068,128
Intergovernmental expenditures	4,000,000	4,000,000	148,560	3,851,440
<b>Total general government expenditures</b>	<b>5,100,000</b>	<b>5,100,000</b>	<b>180,432</b>	<b>4,919,568</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>84,532</b>	<b>84,532</b>
<b>Fund balance at beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 84,532</b>	<b>\$ 84,532</b>

See notes to required supplementary information.

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT**  
**SPRINGS APPROPRIATIONS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Fiscal Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		Positive (Negative)
<b>Revenues</b>				
Ad valorem taxes	\$ -	\$ -	\$ 104,000	\$ 104,000
Intergovernmental revenue	32,168,000	32,168,000	7,238,553	(24,929,447)
<b>Total revenues</b>	<b>32,168,000</b>	<b>32,168,000</b>	<b>7,342,553</b>	<b>(24,929,447)</b>
<b>Expenditures</b>				
General government				
Professional services	11,930,000	11,930,000	1,370,879	10,559,121
Intergovernmental expenditures	18,098,000	18,098,000	5,971,674	12,126,326
Capital outlay	2,200,000	2,200,000	-	2,200,000
<b>Total general government expenditures</b>	<b>32,228,000</b>	<b>32,228,000</b>	<b>7,342,553</b>	<b>22,685,447</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(60,000)</b>	<b>(60,000)</b>	<b>-</b>	<b>60,000</b>
<b>Other financing sources (uses)</b>				
Transfers in	60,000	60,000	-	(60,000)
<b>Total other financing sources (uses)</b>	<b>60,000</b>	<b>60,000</b>	<b>-</b>	<b>(60,000)</b>
<b>Net change in fund balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See notes to required supplementary information.



**SUWANNEE RIVER WATER MANAGEMENT DISTRICT**  
**LAND ACQUISITION AND MANAGEMENT FUND**  
**BUDGET AND ACTUAL**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**For the Fiscal Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		Positive (Negative)
<b>Revenues</b>				
Ad valorem taxes	\$ 1,062,799	\$ 1,062,799	\$ 719,804	\$ (342,995)
Intergovernmental revenue	2,351,119	2,323,659	2,228,957	(94,702)
Charges for services	-	-	550	550
Other income	981,000	981,000	1,769,842	788,842
<b>Total revenues</b>	<b>4,394,918</b>	<b>4,367,458</b>	<b>4,719,153</b>	<b>351,695</b>
<b>Expenditures</b>				
General government				
Salaries and benefits	667,047	686,047	684,228	1,819
Professional services	2,530,014	2,483,554	2,057,435	426,119
Operating expenditures	513,878	513,878	386,542	127,336
Intergovernmental expenditures	658,735	658,735	635,505	23,230
Capital outlay	1,069,588	1,069,588	409,301	660,287
<b>Total general government expenditures</b>	<b>5,439,262</b>	<b>5,411,802</b>	<b>4,173,011</b>	<b>1,238,791</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,044,344)</b>	<b>(1,044,344)</b>	<b>546,142</b>	<b>1,590,486</b>
<b>Net change in fund balance</b>	<b>(1,044,344)</b>	<b>(1,044,344)</b>	<b>546,142</b>	<b>1,590,486</b>
<b>Fund balance at beginning of year</b>	<b>2,692,518</b>	<b>2,692,518</b>	<b>2,692,518</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 1,648,174</b>	<b>\$ 1,648,174</b>	<b>\$ 3,238,660</b>	<b>\$ 1,590,486</b>

See notes to required supplementary information.

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT**  
**LAND ACQUISITION – MITIGATION/SAVE OUR RIVERS FUND**  
**BUDGET AND ACTUAL**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**For the Fiscal Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Interest income	\$ -	\$ -	\$ 223,520	\$ 223,520
Investment fair market value adjustment	-	-	85,161	85,161
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>308,681</b>	<b>308,681</b>
<b>Expenditures</b>				
General government				
Professional services	30,000	30,000	-	(30,000)
Capital outlay	970,000	970,000	-	(970,000)
<b>Total general government expenditures</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>-</b>	<b>(1,000,000)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,000,000)</b>	<b>(1,000,000)</b>	<b>308,681</b>	<b>1,308,681</b>
Net change in fund balance	(1,000,000)	(1,000,000)	308,681	1,308,681
<b>Fund balance at beginning of year</b>	<b>7,698,742</b>	<b>7,698,742</b>	<b>7,698,742</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 6,698,742</b>	<b>\$ 6,698,742</b>	<b>\$ 8,007,423</b>	<b>\$ 1,308,681</b>

See notes to required supplementary information.

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT  
NOTE TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES- BUDGET  
AND ACTUAL- MAJOR GOVERNMENTAL FUNDS  
For the Fiscal Year Ended September 30, 2020**

**I. Stewardship, Compliance and Accountability:**

**A. Budgetary Information**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. All annual appropriations lapse at fiscal year end.

The Board generally follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with *Florida Statutes*, prior to July 15, the budget officer shall submit to the Board a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted following preliminary examination and revision of the proposed operating budget by the Board.
3. After public hearings and necessary revisions have been completed, the budget is legally enacted through passage of an ordinance.
4. Revisions that alter the total expenditures of any fund must be approved by the Board. The Executive Director is authorized to approve line item budget transfers within a fund without approval of the Governing Board. The legal level of budgetary control is the fund level.
5. Formal budgetary integration is employed as a management control device during the year for all governmental fund types.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF SUWANNEE RIVER WATER MANAGEMENT DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PROGRAM**  
**LAST 10 FISCAL YEARS\***

	2020	2019	2018	2017	2016	2015	2014
District's proportion of the FRS net pension liability (asset)	0.010137885%	0.010515337%	0.01049542%	0.01113656%	0.011295417%	0.012782855%	0.012464973%
District's proportionate share of the FRS net pension liability (asset)	\$ 4,393,909	\$ 3,621,336	\$ 3,161,274	\$ 3,294,120	\$ 2,852,102	\$ 1,651,077	\$ 1,744,026
District's proportion of the HIS net pension liability (asset)	0.011761558%	0.011188140%	0.011137294%	0.011336563%	0.011222589%	0.012086449%	0.012115489%
District's proportionate share of the HIS net pension liability (asset)	\$ 1,436,067	\$ 1,329,411	1,203,725	1,212,158	1,307,946	1,232,628	1,088,649
District's proportionate share of the total net pension liability (asset)	\$ 5,829,976	\$ 4,950,747	\$ 4,364,999	\$ 4,506,278	\$ 4,160,048	\$ 2,883,705	\$ 2,832,675
District's covered-employee payroll	\$ 4,050,200	\$ 4,049,548	\$ 3,802,030	\$ 3,634,140	\$ 3,505,500	\$ 3,376,130	\$ 3,774,294
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	143.94%	122.25%	114.81%	124.00%	118.67%	85.41%	75.05%
Plan fiduciary net position as a percentage of the total pension liability	78.85%	82.61%	79.86%	79.30%	85.85%	92.00%	96.09%

Note 1) The amounts presented for each year were determined as of the June 30 year end of the Florida Retirement System

\*GASB 68 requires information for 10 years. However, until a full 10-year trend is completed, only those years for which information is available is presented.

See notes to the required supplementary information.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF SUWANNEE RIVER WATER MANAGEMENT DISTRICT'S CONTRIBUTIONS**  
**FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PROGRAM**  
**LAST 10 FISCAL YEARS\***

	2020	2019	2018	2017	2016	2015	2014
Contractually required FRS contribution	\$ 465,924	\$ 447,416	\$ 412,608	\$ 414,295	\$ 380,782	\$ 322,994	\$ 316,354
Contractually required HIS contribution	94,280	90,534	85,079	60,327	77,992	48,263	47,271
<b>Total Contractually Required Contributions</b>	<b>560,204</b>	<b>537,950</b>	<b>497,687</b>	<b>474,622</b>	<b>458,774</b>	<b>371,257</b>	<b>363,625</b>
Contributions in relation to the contractually required contribution	(560,204)	(537,950)	(497,687)	(474,622)	(458,774)	(371,257)	(363,625)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 4,050,200	\$ 4,049,548	\$ 3,802,030	\$ 3,634,140	\$ 3,505,500	\$ 3,376,130	\$ 3,774,294
Contributions as a percentage of covered-employee payroll	13.83%	13.28%	13.09%	13.06%	13.09%	11.00%	9.63%

\*GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, only those years for which information is available is presented.

See notes to the required supplementary information.

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF SUWANNEE RIVER WATER MANAGEMENT DISTRICT'S CHANGES IN  
THE TOTAL OPEB LIABILITY**

<u>Measurement Fiscal Year Ended September 30,</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service cost	\$ 9,310	\$ 9,440
Interest	4,049	3,933
Changes in benefit terms	-	-
Difference between expected and actual experience of Total OPEB Liability	149,893	-
Changes in assumptions and inputs	101,180	(1,770)
Benefit payments	(16,934)	(19,312)
Net changes	<u>247,498</u>	<u>(7,709)</u>
Total OPEB Liability - Beginning of Fiscal Year	<u>104,879</u>	<u>112,588</u>
Total OPEB Liability - Ending of Fiscal Year	<u><u>\$ 352,337</u></u>	<u><u>\$ 104,879</u></u>
Covered Employee Payroll	\$ 3,917,555	\$ 3,798,982
Total OPEB Liability as a percentage of Covered Employee Payroll	8.99%	2.76%

\*Total OPEB Liability at the beginning of the initial period of implementation was developed by rolling back the liability from the measurement date as permitted by Q&A 4.499 of the Implementation Guide No. 2017-3. Consequently, there is no difference between expected and actual experience.

GASB requires information for 10 years. Until a full ten year trend has been compiled, only those years for which information is available has been presented. Only information for the current year is presented.

See notes to the required supplementary information.

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
THE SUWANNEE RIVER WATER MANAGEMENT DISTRICT'S PROPORTIONATE SHARE OF THE NET  
PENSION LIABILITY AND REQUIRED CONTRIBUTIONS  
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PROGRAM  
For the Fiscal Year Ended September 30, 2020**

**Net Pension Liability**

The components of the collective net pension liability of the participating employers for each defined benefit plan for the measurement date of September 30, 2020, are shown below (in thousands):

	FRS	HIS
Total pension liability	\$ 204,909,739	\$ 12,588,098
Plan fiduciary net position	(161,568,265)	(378,261)
	\$ 43,341,474	\$ 12,209,837
Plan fiduciary net position as a percentage of the total pension liability	78.85%	3.00%

The total pension liability for each plan was determined by the plans' actuary and reported in the plans' valuations dated June 30, 2020. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the plan. The fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements. Update procedures were not used.

The HIS actuarial valuation was prepared as of July 1, 2019, and update procedures were used to determine liabilities as of June 30, 2020. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the Plan. The fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements.

**Basis for Allocation**

The employer's proportionate share reported in the pension allocation schedules was calculated using accrued retirement contributions related to the reporting periods included in the System's fiscal years ending June 30, 2013 through 2020 respectively, for employers that were members of the FRS and HIS during those fiscal years. For fiscal years June 30, 2015 through June 30, 2020, in addition to contributions from employers the required accrued contributions for the Division (paid on behalf of the Division's employees who administer the Plans) were allocated to each employer on a proportionate basis. The Division administers the Plans, and therefore, cannot allocate a portion of the liability to itself. Although GASB 68 encourages the use of the employers' projected long-term contribution effort to the retirement plan, allocating on the basis of historical employer contributions is acceptable. The aggregate employer contribution amounts for each fiscal year agree to the employer contribution amounts reported in the system's CAFR for that fiscal year.

The proportion calculated based on contributions for each of the fiscal years presented in the pension allocation schedules was applied to the net pension liability and other pension amounts applicable for that fiscal year to determine each employer's proportionate share of the liability, deferred outflows of resources, deferred inflow of resources and associated pension expense.

For the purposes of the pension allocation schedules, pension amounts are allocated to reporting employers. The pension amounts of participating employers whose payrolls are reported and contributions are remitted by another entity are included in the reporting employer's amounts and will be allocated to the participating employer by the reporting employer.

### **Actuarial Methods and Assumptions**

The Florida Retirement System (FRS) Actuarial Assumption Conference is responsible for setting the assumptions used in the funding valuations of the defined benefit pension plan pursuant to section 216.136(10), Florida Statutes. The division determines the assumptions in the valuations for GASB 67 reporting purposes. The FRS Pension Plan's GASB 67 is performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2020 for the period July 1, 2013 through June 30, 2019. 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 is 6.80%. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 2.21 % was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both Plans were based on the Generational RP-2000 with Projection Scale BB tables (refer to the valuation reports for more information – see Note 5).

The following changes in actuarial assumptions occurred in 2020:

- **FRS:** The long-term expected rate of return was decreased from 6.90% to 6.80%, and the mortality assumption was changed from the Generational RP-2000 with Projection Scale BB tables to the PUB-2010 base table, projected generationally with Scale MP-2018.
- **HIS:** The municipal rate used to determine total pension liability was decreased from 3.50% to 2.21%.



**SUWANNEE RIVER WATER MANAGEMENT DISTRICT  
OTHER POST-EMPLOYMENT BENEFITS (OPEB) RETIREMENT HEALTHCARE PLAN  
SEPTEMBER 30, 2020**

The District obtains an actuarial report every three years. The information presented in the required supplementary schedules was determined as part of the actuarial valuations at September 30, 2019 that were “rolled forward” to the September 30, 2020 measurement date, with results applicable to the fiscal year ended September 30, 2020. Information about the methods and assumptions used in the actuarial valuation follows:

Valuation Date:	September 30, 2019
Measurement Date:	September 30, 2020
Roll Forward Procedures:	The Total OPEB Liability was rolled forward twelve months from the Valuation Date to the Measurement Date using standard actuarial techniques.

**Methods and Assumptions Used to Determine Total OPEB Liability**

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	3.00%
Discount Rate	2.75%
Initial Trend Rate FY beginning 2020	8.00%
Trend Rate for FY beginning 2021	7.50%
Ultimate Trend Rate	4.00%
Retirement Age	Varies based on several factors including plan-specific retirement eligibility provisions and experience.

Mortality	RP-2000 Generational Combined Healthy Participant mortality tables, projected from the year 2000 using Projection Scale AA.
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Other information:	Changes in assumptions and other inputs include the change in the discount rate from 3.83% as of the beginning of the measurement period to 2.75% as of September 30, 2019. This change is reflected in the Schedule of Changes in Total OPEB Liability. There were no benefit changes during the year.
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As of September 30, 2019, the most recent actuarial valuation date, the Plan was unfunded. The actuarial accrued liability for benefits at September 30, 2020 was \$352,337, and the actuarial value of assets was \$-0-.

The following Schedule of Funding Progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

### SCHEDULE OF OPEB FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age Normal Cost (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL:as a % of Covered Payroll ((b-a)/c)
9-30-10	-	\$ 368,061	\$ 368,061	0.00%	\$ 3,923,952	9.00%
9-30-13	-	144,577	144,577	0.00%	3,440,300	4.00%
9-30-16	-	230,389	230,389	0.00%	3,286,394	7.00%
9-30-17	-	364,710	364,710	0.00%	3,689,893	7.00%
9-30-18	-	112,588	112,588	0.00%	3,108,830	3.62%
9-30-19	-	104,879	104,879	0.00%	3,798,982	2.76%
9-30-20	-	352,377	352,377	0.00%	3,917,555	8.99%

### SCHEDULE OF OPEB EMPLOYER CONTRIBUTIONS

Year Ended September 30	Annual OPEB Expense	% Contributed	Net OPEB Obligation
2015	\$ 4,929	0%	\$ 387,168
2016	(9,196)	0%	377,972
2017	(13,262)	0%	364,710
2018	(19,920)	0%	112,588
2019	(7,709)	0%	104,879
2020	247,498	0%	352,377

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**For the Fiscal Year Ended September 30, 2020**

Program Titles & Grant Numbers	CFDA/CFSA	Award Number	WMD Contract #	Award/Contract Amount	Expenditures Recognized in Prior Years	Expenditures Recognized in Current Year	Transfers to Subrecipients in Current Year
<b>Federal Awards</b>							
<i>U.S. Department of Interior</i>							
U.S. Fish and Wildlife Services - Hydrologic Restoration on the Lower Suwannee National Wildlife Refuge	15.658	F20AC00119	19/20-148	\$ 416,480	\$ -	\$ 2,735	\$ -
U.S. Geological Survey - U.S. National Groundwater Monitoring Network	15.980	G19AC00178	18/19-205	54,000	-	49,600	49,600
<b>Total U.S. Department of Interior</b>				<b>470,480</b>	<b>-</b>	<b>52,335</b>	<b>49,600</b>
<i>U.S. Environmental Protection Agency pass through from Florida Department of Environmental Protection</i>							
Nonpoint Source 319 Implementation Grant - Multi-Media Campaign for Springs and Resource Awareness in Suwannee Valley	66.460	C9-99451518-0 / NR049	18/19-174	300,000	-	97,166	97,166
<i>U.S. Department of Homeland Security</i>							
Federal Emergency Management Agency Hurricane Irma (Expenditures \$201,301.72 in FY17 & FY18, Reimbursement in FY19 & FY20)	97.036	Z0736	18/19-140	92,515	17,432	94,258	-
Cooperating Technical Partners	97.045	EMA-2010-CA-5083	09/10-154	1,412,500	1,411,367	-	-
Cooperating Technical Partners	97.045	EMA-2011-CA-5143	11/12-020	1,845,000	1,820,440	-	-
Cooperating Technical Partners	97.045	EMA-2012-CA-5262	11/12-134	1,220,790	1,218,480	-	-
Cooperating Technical Partners	97.045	EMA-2013-CA-5353	12/13-247	465,000	459,296	-	-
Cooperating Technical Partners	97.045	EMA-2014-CA-0264	14/15-012	627,000	567,707	74,826	-
Cooperating Technical Partners	97.045	EMW-2015-CA-0047	14/15-208	400,000	374,787	2,258	-
Cooperating Technical Partners	97.045	EMA-2016-CA-0009	15/16-061	1,088,000	280,480	348,653	-
Cooperating Technical Partners	97.045	EMA-2017-CA-00002	17/18-143	1,018,000	205,211	2,890	-
Cooperating Technical Partners	97.045	EMA-2018-CA-00006	17/18-257	1,718,594	1,045	165,821	-
<b>Total U.S. Department of Homeland Security</b>				<b>9,887,399</b>	<b>6,356,245</b>	<b>688,704</b>	<b>-</b>
<b>Total Federal Awards</b>				<b>\$ 10,657,879</b>	<b>\$ 6,356,245</b>	<b>\$ 838,205</b>	<b>\$ 146,766</b>

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (Continued)**  
**For the Fiscal Year Ended September 30, 2020**

Program Titles & Grant Numbers	CFDA/CFSA	Award Number	WMD Contract #	Award/Contract Amount	Expenditures Recognized in Prior Years	Expenditures Recognized in Current Year	Transfers to Subrecipients in Current Year
<b>State Financial Assistance</b>							
<i>Executive Office of the Governor</i>							
Hurricane Irma (Expenditures \$201,301.72 in FY17 & FY18, Reimbursement in FY19 & FY20)	31.063	Z0736	18/19-140	\$ 5,975	\$ 2,905	\$ 3,070	\$ -
<i>Florida Department of Agriculture Services and Consumer Services</i>							
Prescribed Fire Enhancement Program	42.017	026358	19/20-010	100,000	-	98,838	98,838
Total Florida Department of Agriculture Services and Consumer Services				100,000	-	98,838	98,838
<i>Florida Department of Environmental Protection</i>							
General Revenue Fund - Environmental Resource Permitting	37.030	N/A	N/A	453,000	-	453,000	-
General Revenue Fund - Operations	37.037	N/A	N/A	2,287,000	-	2,287,000	-
Internal Improvement Trust Fund - Payments in Lieu of Taxes	37.037	N/A	N/A	352,909	-	352,909	-
Land Acquisition Trust Fund - Land Management	37.022	N/A	N/A	1,777,210	-	1,777,210	-
Land Acquisition Trust Fund - Minimum Flows and Minimum Water Levels	37.022	N/A	N/A	1,635,000	783,905	851,095	-
Land Acquisition Trust Fund - Minimum Flows and Minimum Water Levels	37.022	N/A	N/A	1,635,000	-	615,699	-
Water Management Land Trust Fund	37.037	N/A	N/A	1,744,856	1,581,720	-	-
Water Protection and Sustainability Program	37.085	N/A	N/A	100,000	-	-	-
Total Department of Environmental Protection from Appropriations				9,984,975	2,365,625	6,336,913	-
<i>Springs Initiative Grant Program</i>							
Fanning Springs Water Quality Improvement, Ph II	37.052	LP61030	15/16-097	2,000,000	191,700	1,808,300	1,808,300
Pot Springs Restoration Project	37.052	LP61033	16/17-046	183,600	17,359	165,112	165,112
Fanning Springs Water Quality Improvement, Ph III	37.052	LP61036	16/17-118	3,355,100	420,299	2,934,801	2,934,801
High Springs Wastewater Collection System	37.052	LP61037	16/17-129	3,307,700	2,169,089	721,684	721,684
Agricultural Springs Pilot Program - Low Input Agriculture and Land Conserva	37.052	LP61038	17/18-190	5,000,000	123,057	338,791	338,791
Lower Suwannee Drainage Basin Aquifer Recharge	37.052	LP61039	16/17-131	2,200,000	587,404	-	-
Cow Pond Drainage Basin Acquirer Recharge	37.052	LP6103B	16/17-069	1,500,000	313,382	-	-
Dairy Wastewater System Improvement	37.052	LP6103C	16/17-119	1,500,000	541,540	292,695	292,695
Agricultural Springs Pilot Program -							
Advanced Water Quality Improvement Technologies	37.052	LP6103D	16/17-149	1,000,000	190,273	-	-
Wacissa Springs Water Quality Improvement	37.052	LP6103E	16/17-130	517,500	484,698	-	-
Accelerating Suwannee River Restoration and Silviculture Management	37.052	LP6103G	19/20-177	1,878,736	-	-	-
Bee Haven Bay Water Resource Development	37.052	LP6103H	18/19-230	370,000	-	-	-
Madison Blue Aquifer Recharge	37.052	LP6103J	17/18-096	2,150,000	-	-	-
Precision Agricultural Practices	37.052	LP6103K	17/18-030	5,000,000	348,646	478,876	478,876

(Continued)

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (Continued)**  
**For the Fiscal Year Ended September 30, 2020**

Program Titles & Grant Numbers	CFDA/CFSA	Award Number	WMD Contract #	Award/Contract Amount	Expenditures Recognized in Prior Years	Expenditures Recognized in Current Year	Transfers to Subrecipients in Current Year
Suwannee and Santa Fe River Basins Land Acquisition - Mill Creek Sink - Pha	37.052	LP6103L	17/18-041	\$ 3,500,000	\$ 1,615,576	\$ -	\$ -
Upper Suwannee River Regional Aquifer Recharge	37.052	LP6103M	17/18-226	2,500,000	212,345	27,167	27,167
Bradford Co. Silviculture Enhancement and Recharge	37.052	LPS0016	19/20-202	2,000,000	-	3,595	3,595
Dixie Co. Multiple Basin Aquifer Recharge	37.052	LPS0024	19/20-176	5,792,213	-	376,274	376,274
Otter Springs Onsite Sewage Treatment Disposal System Improvements	37.052	LPS0037	19/20-116	1,850,000	-	23,015	23,015
High Springs Gravity Sewer Extension - Phase A2	37.052	LPS0038	19/20-108	1,000,000	-	3,600	3,600
Ichetucknee Springs and Middle Suwannee	37.052	S0675	13/14-022	5,448,000	5,152,053	27,458	27,458
Agricultural Springs Protection Projects	37.052	S0796	14/15-111	3,660,000	2,214,327	64,644	64,644
Improved Nutrient Application Practices -Dairies	37.052	S0905	15/16-057	2,120,000	1,464,905	-	-
Total Springs Initiative Grant Program				57,832,849	16,046,653	7,266,011	7,266,011
Alternative Water Supplies							
SRWMD - Pivot Retrofits	37.100	WS002	19/20-052	500,400	-	31,872	31,872
SRWMD - Public Supply Efficiency Improvements	37.100	WS003	19/20-053	500,000	-	50,560	50,560
SRWMD - Groundwater Recharge Wetlands	37.100	WS004	19/20-054	1,000,000	-	-	-
SRWMD - Lake Butler Wastewater Treatment Facility - Phase I	37.100	WS005	19/20-055	3,000,000	-	98,000	98,000
Total Alternative Water Supplies				5,000,400	-	180,432	180,432
Office of Water Policy and Ecosystem Restoration - Water Quality Enhancement and Accountability							
SRWMD - Expanded and Enhanced Water Quality Monitoring	37.105	AT002	19/20-170	865,000	-	260,725	53,308
Total Department of Environmental Protections				73,683,224	18,412,278	14,044,080	7,499,750
<i>Department of Transportation</i>							
Mitigation Water Management Districts - Starke Bypass	55.031	N/A		4,065,292	3,933,365	12,304	12,304
Total State Financial Assistance				77,854,492	22,348,549	14,158,292	7,610,892
Total Federal and State Financial Assistance				\$ 88,512,371	\$ 28,704,794	\$ 14,996,498	\$ 7,757,658

See notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance.

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT  
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
For the Fiscal Year Ended September 30, 2020**

**I. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance includes the federal and state award activity of Suwannee River Water Management District, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, Rules of the State of Florida, Office of the Auditor General. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

**2. Indirect Cost Rate**

The District did not elect to use the 10% de minimis cost rate.

**3. Summary of Significant Account Policies**

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

**OTHER SUPPLEMENTAL INFORMATION**

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS**  
September 30, 2020

	Middle Suwannee Fund	Local Revenue Fund	Water Management Lands Trust Fund	Project Effectiveness Metric Fund	Land Conservation Fund	FDOT ETDM Fund	FDOT Mitigation Fund
<b>Assets</b>							
Intergovernmental receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	270,116	-	176,483	520,497	43,149	42,555	467,792
<b>Total assets</b>	<u>270,116</u>	<u>-</u>	<u>176,483</u>	<u>520,497</u>	<u>43,149</u>	<u>42,555</u>	<u>467,792</u>
<b>Liabilities</b>							
Accounts payable	-	-	-	3,285	25,000	-	10,951
Interest payable	1,627	-	-	-	-	-	-
Unearned revenue	268,489	-	166,526	-	-	-	144,791
Due to other funds	-	-	-	-	-	-	-
<b>Total liabilities</b>	<u>270,116</u>	<u>-</u>	<u>166,526</u>	<u>3,285</u>	<u>25,000</u>	<u>-</u>	<u>155,742</u>
<b>Fund balances</b>							
Nonspendable	-	-	4,787	-	1,025	1,154	12,706
Committed	-	-	-	517,212	-	-	-
Restricted	-	-	5,170	-	17,124	41,401	299,344
<b>Total fund balances</b>	<u>-</u>	<u>-</u>	<u>9,957</u>	<u>517,212</u>	<u>18,149</u>	<u>42,555</u>	<u>312,050</u>
<b>Total liabilities and fund balance</b>	<u>\$ 270,116</u>	<u>\$ -</u>	<u>\$ 176,483</u>	<u>\$ 520,497</u>	<u>\$ 43,149</u>	<u>\$ 42,555</u>	<u>\$ 467,792</u>

(Continued)



**SUWANNEE RIVER WATER MANAGEMENT DISTRICT**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (Continued)**  
**September 30, 2020**

	Minimum Flows Minimum Water Levels Fund	Suwannee River Partnership Water Use Fund	District Agricultural Cost-Share Fund	District RIVER Cost-Share Fund	FEMA Mapping Fund	Reimbursable Grants	Total Nonmajor Governmental Funds
<b>Assets</b>							
Intergovernmental receivables	\$ -	\$ -	\$ -	\$ -	\$ 48,238	\$ 157,362	\$ 205,600
Due from other funds	1,164,832	844,330	3,626,070	3,348,968	-	-	10,504,792
<b>Total assets</b>	<b>1,164,832</b>	<b>844,330</b>	<b>3,626,070</b>	<b>3,348,968</b>	<b>48,238</b>	<b>157,362</b>	<b>10,710,392</b>
<b>Liabilities</b>							
Accounts payable	145,532	-	56,387	535,490	48,238	18,593	843,476
Interest payable	-	-	-	-	-	-	1,627
Unearned revenue	1,019,300	-	-	-	-	-	1,599,106
Due to other funds	-	-	-	-	-	138,769	138,769
<b>Total liabilities</b>	<b>1,164,832</b>	<b>-</b>	<b>56,387</b>	<b>535,490</b>	<b>48,238</b>	<b>157,362</b>	<b>2,582,978</b>
<b>Fund balances</b>							
Nonspendable	-	25,395	-	-	-	-	45,067
Committed	-	-	3,569,683	2,813,478	-	-	6,900,373
Restricted	-	818,935	-	-	-	-	1,181,974
<b>Total fund balances</b>	<b>-</b>	<b>844,330</b>	<b>3,569,683</b>	<b>2,813,478</b>	<b>-</b>	<b>-</b>	<b>8,127,414</b>
<b>Total liabilities and fund balance</b>	<b>\$ 1,164,832</b>	<b>\$ 844,330</b>	<b>\$ 3,626,070</b>	<b>\$ 3,348,968</b>	<b>\$ 48,238</b>	<b>\$ 157,362</b>	<b>\$ 10,710,392</b>

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended September 30, 2020**

	Middle Suwannee Fund	Local Revenue Fund	Water Management Lands Trust Fund	Project Effectiveness Metric Fund	Land Conservation Fund	FDOT ETDM Fund	FDOT Mitigation Fund
<b>Revenues</b>							
Intergovernmental revenue	\$ 27,458	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,304
Charges for services	-	86,480	-	-	-	-	-
Interest income	-	-	4,853	-	1,117	1,187	13,074
Increase in fair value investment	-	-	1,877	-	373	453	4,975
<b>Total revenues</b>	<b>27,458</b>	<b>86,480</b>	<b>6,730</b>	<b>-</b>	<b>1,490</b>	<b>1,640</b>	<b>30,353</b>
<b>Expenditures</b>							
General government							
Water resource planning and monitoring	-	86,480	-	14,490	-	-	-
Acquisition, restoration and public works	27,458	-	-	-	25,000	-	12,305
Operation, maintenance of lands and works	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
<b>Total general government expenditures</b>	<b>27,458</b>	<b>86,480</b>	<b>-</b>	<b>14,490</b>	<b>25,000</b>	<b>-</b>	<b>12,305</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>6,730</b>	<b>(14,490)</b>	<b>(23,510)</b>	<b>1,640</b>	<b>18,048</b>
<b>Other financing sources (uses)</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>-</b>	<b>-</b>	<b>6,730</b>	<b>(14,490)</b>	<b>(23,510)</b>	<b>1,640</b>	<b>18,048</b>
<b>Fund balance at beginning of year</b>	<b>-</b>	<b>-</b>	<b>3,227</b>	<b>531,702</b>	<b>41,659</b>	<b>40,915</b>	<b>294,002</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,957</b>	<b>\$ 517,212</b>	<b>\$ 18,149</b>	<b>\$ 42,555</b>	<b>\$ 312,050</b>

Continued

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended September 30, 2020**

	Minimum Flows Minimum Water Levels Fund	Suwannee River Partnership Water Use Fund	District Agricultural Cost- Share Fund	District RIVER Cost-Share Fund	FEMA Mapping Fund	Reimbursable Grants	Total Nonmajor Governmental Funds
<b>Revenues</b>							
Intergovernmental revenue	\$ 1,466,794	\$ -	\$ -	\$ -	\$ 594,446	\$ 410,226	\$ 2,511,228
Charges for services	-	-	-	-	-	-	86,480
Interest income	-	26,030	-	-	-	-	46,261
Increase in fair value investment	-	8,980	-	-	-	-	16,658
<b>Total revenues</b>	<b>1,466,794</b>	<b>35,010</b>	<b>-</b>	<b>-</b>	<b>594,446</b>	<b>410,226</b>	<b>2,660,627</b>
<b>Expenditures</b>							
General government							
Water resource planning and monitoring	1,466,794	-	-	-	594,446	102,908	2,265,118
Acquisition, restoration and public works	-	148,403	694,545	845,048	-	99,901	1,852,660
Operation, maintenance of lands and works	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	207,417	207,417
<b>Total general government expenditures</b>	<b>1,466,794</b>	<b>148,403</b>	<b>694,545</b>	<b>845,048</b>	<b>594,446</b>	<b>410,226</b>	<b>4,325,195</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>(113,393)</b>	<b>(694,545)</b>	<b>(845,048)</b>	<b>-</b>	<b>-</b>	<b>(1,664,568)</b>
<b>Other financing sources (uses)</b>							
Transfers in	-	-	1,000,000	1,000,000	-	-	2,000,000
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>-</b>	<b>-</b>	<b>2,000,000</b>
Net change in fund balance	-	(113,393)	305,455	154,952	-	-	335,432
<b>Fund balance at beginning of year</b>	<b>-</b>	<b>957,723</b>	<b>3,264,228</b>	<b>2,658,526</b>	<b>-</b>	<b>-</b>	<b>7,791,982</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ 844,330</b>	<b>\$ 3,569,683</b>	<b>\$ 2,813,478</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,127,414</b>

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

To the Honorable Board of Governors  
of the Suwannee River Water Management District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of Suwannee River Water Management District, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise Suwannee River Water Management District's basic financial statements, and have issued our report thereon dated March 8, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Suwannee River Water Management District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Suwannee River Water Management District's internal control. Accordingly, we do not express an opinion on the effectiveness of Suwannee River Water Management District's internal control.

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

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

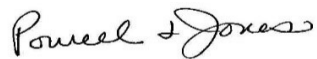
**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Suwannee River Water Management District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests

disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

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

A handwritten signature in cursive script that reads "Powell & Jones".

**POWELL & JONES**  
Certified Public Accountants  
Lake City, Florida  
March 8, 2021

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE OMB UNIFORM GUIDANCE**

To the Honorable Board of Governors  
of the Suwannee River Water Management District:

**Report on Compliance for Each Major Federal Program**

We have audited the Suwannee River Water Management District's compliance with the types of compliance requirements described in the *OMB Uniform Guidance* that could have a direct and material effect on each of the Suwannee River Water Management District's major federal programs for the year ended September 30, 2020. Suwannee River Water Management District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Suwannee River Water Management District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (OMB Uniform Guidance)*. Those standards, and the *OMB Uniform Guidance* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Suwannee River Water Management District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Opinion on Each Major Federal Program***

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

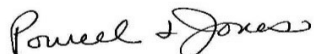
## Report on Internal Control Over Compliance

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

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

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

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



**POWELL & JONES**  
Certified Public Accountants  
Lake City, Florida  
March 8, 2021

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH CHAPTER 10.550, RULES OF THE AUDITOR GENERAL, OFFICE OF THE AUDITOR GENERAL**

To the Honorable Board of Governors  
of the Suwannee River Water Management District:

**Report on Compliance for Each Major State Project**

We have audited the compliance of Suwannee River Water Management District with the types of compliance requirements described in the State of Florida, Department of Financial Services State Projects Compliance and Supplement, that could have a direct and material effect on its major State Projects for the year ended September 30, 2020. Suwannee River Water Management District's major State Projects are identified in the summary of auditor's results section of the accompanying Schedule of Findings.

**Management's Responsibility**

Suwannee River Water Management District's management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its major State Projects.

**Auditor's Responsibility**

Our responsibility is to express an opinion on Suwannee River Water Management District's compliance for each major State Project based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the State of Florida, Office of the Auditor General. Those standards and Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State project occurred. An audit includes examining, on a test basis, evidence about Suwannee River Water Management District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major State Project. However, our audit does not provide a legal determination of Suwannee River Water Management District's compliance.

**Opinion on Each Major State Project**

In our opinion, Suwannee River Water Management District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major State Projects for the fiscal year ended September 30, 2020.



## Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with Chapter 10.550, Rules of the State of Florida, Office of the Auditor General.

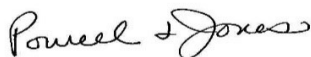
## Internal Control Over Compliance

Management of Suwannee River Water Management District is responsible for establishing and maintaining effective internal control over the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Suwannee River Water Management District's internal control over compliance with the types of requirements that could have a direct and material effect on a major State project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major State Project and to test and report on internal control over compliance in accordance with Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Suwannee River Water Management District's internal control over compliance.

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

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

Pursuant to Chapter 119, *Florida Statutes*, this report 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 report is intended solely for the information and use of Suwannee River Water Management District's management, State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



**POWELL & JONES**  
Certified Public Accountants  
Lake City, Florida  
March 8, 2021

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Fiscal Year Ended September 30, 2020**

**Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
• Material weakness identified?	No
• Reportable condition identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements	No

**Federal Awards**

Internal control over major programs:	
• Material weaknesses identified?	No
• Reportable condition identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2CFR200.516(a)	No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Programs</u>
97.045	U.S. Department of Homeland Security Federal Emergency Management Agency Cooperating Technical Partners

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

**Financial Statement Findings**

None

**Federal Award Findings and Questioned Costs**

None

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Fiscal Year Ended September 30, 2020**

**State Financial Assistance**

Internal control over major projects:

- Material weakness identified? No
- Reportable condition identified not considered to be material weaknesses? None reported

Type of auditor's report issued on compliance for major projects: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Rule 10.656, *Rules of the Auditor General*? No

<u>CSFA Number</u>	<u>Name of State Programs</u>
37.100	Florida Department of Environmental Protection Alternative Water Supplies
37.052	Florida Springs Initiative Grant Program

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

**Financial Statement Findings**

None

**State Financial Assistance Findings and Questioned Costs**

None

## MANAGEMENT LETTER

To the Honorable Board of Governors  
of the Suwannee River Water Management District:

In planning and performing our audit of the financial statements of the Suwannee River Water Management District (the District), for the year ended September 30, 2020, we considered the District's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit we may become aware of matters that are opportunities for strengthening internal controls and operating efficiencies. In addition to furnishing information required by Chapter 10.550, *Rules of the Auditor General*, and other compliance matters, the remaining sections of this report letter discuss any such findings.

### PRIOR YEAR FINDINGS AND RECOMMENDATIONS

There were no reportable findings or recommendations in the prior year.

### CURRENT YEAR FINDINGS

There were no reportable findings or recommendations during the current year.

### AUDITOR GENERAL COMPLIANCE MATTERS

Financial Condition Assessment - As required by the *Rules of the Auditor General* (Sections 10.554(1)(i)5.a. and 10.556(7)), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part in representations made by management and the review of financial information they provided.

Financial Emergency Status - We determined that the District had not met any of the conditions described in Section 218.503(1), *Florida Statutes*, that might result in a financial emergency.

Requirements of Sections 10.554 (1)(i) 6 a & b & c and 10.556(9) Rules of the Auditor General - For the fiscal year ended September 30, 2020, the District complied with the following:

- a. We have determined that the District provided monthly financial statements to its governing board and posted the monthly financial statements on its website.
- b. We determined that the District provided a link on its website to the Florida Department of

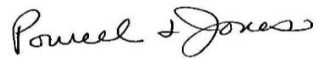
Financial Services' website to allow viewing of the District's annual financial report.

- c. We determined that the District posted its tentative and final budgets on its website.

Our audit did not disclose any further items that would be required to be reported under the *Rules of the Auditor General*, Chapter 10.554(1)(f).

## **CONCLUSION**

Again, we very much enjoyed the challenges and experiences associated with this year's audit of the District. We look forward to working with you to ensure continued fiscal progress of the District's operations.



**POWELL & JONES**  
Certified Public Accountants  
Lake City, Florida  
March 8, 2021

## INDEPENDENT ACCOUNTANT'S REPORT

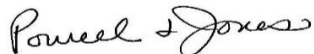
To the Honorable Board of Governors  
of the Suwannee River Water Management District:

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

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

This report is intended solely for the information and use of the 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.



**POWELL & JONES**  
Certified Public Accountants  
Lake City, Florida  
March 8, 2021

## **Communication with Those Charged with Governance**

To the Honorable Board of Governors;  
Suwannee River Water Management District

We have audited the financial statements of Suwannee River Water Management District for the year ended September 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Suwannee River Water Management District are described in Note 1 to the financial statements. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus.

All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There are no sensitive estimates affecting Suwannee River Water Management District's financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There are no sensitive disclosures affecting the financial statements.

#### ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no such misstatements identified during our audit.

#### ***Disagreements with Management***

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that

could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated February 8, 2021.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

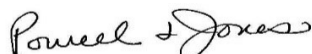
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

#### Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Governors and management of Suwannee River Water Management District, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



**POWELL & JONES**  
Certified Public Accountants  
Lake City, Florida  
March 8, 2021