

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT
AUDIT COMMITTEE MEETING AGENDA**

GoTo Webinar Link: <https://attendee.gotowebinar.com/register/8420506868997714700>

Public Comment Form Link: www.MySuwanneeRiver.com/Comments

Open to Public

April 12, 2022
Following Board Meeting/Workshops

District Headquarters
Live Oak, FL

1. Call to Order / Committee Roll Call

2. Public Comment

Discussion Items

3. Fiscal Year 2020-2021 Financial Audit Acceptance
4. Inspector General Audit Report #22-01, Payroll and Related Human Resources Processes, Acceptance

5. Announcements

6. Adjournment

Recommended Additions:

A person may not lobby the District until such person has registered as a lobbyist with the Contracts and Procurement Coordinator by filing a registration form.

Definitions:

•"Lobbies" is defined as seeking to influence a district policy or procurement decision or an attempt to obtain the goodwill of a district official or employee. (112.3261(1)(b), Florida Statutes [F.S.]

•"Lobbyist" is a person who is employed and receives payment, or who contracts for economic consideration, for the purpose of lobbying, or a person who is principally employed for governmental affairs by another person or governmental entity to lobby on behalf of that other person or governmental entity. (112.3215(1)(h), F.S.)

SUWANNEE RIVER WATER MANAGEMENT DISTRICT

MEMORANDUM

TO: Audit Committee

FROM: Pam Shaw, Chief, Office of Finance

THRU: Tim Alexander, Deputy Executive Director, Business and Community Services

DATE: April 4, 2022

RE: Fiscal Year 2020-2021 Financial Audit Acceptance

RECOMMENDATION

Accept the Fiscal Year 2020-2021 Financial Audit Report from Powell and Jones, CPA.

BACKGROUND

Powell and Jones, Certified Public Accountants, has prepared the Fiscal Year 2020-2021 Financial Audit Report. Staff provided support to Powell and Jones during the preparation of the report. This report:

1. Contains the District's financial statements and accompanying notes and schedules;
2. Reflects the financial activities for Fiscal Year 2020-2021;
3. Contains the Auditor's opinion that the financial statements 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 District as of September 30, 2021; and
4. Contains no findings.

PS/rl
Attachment

SUWANNEE RIVER WATER MANAGEMENT DISTRICT

FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT
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SEPTEMBER 30, 2021**

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SUWANNEE RIVER WATER MANAGEMENT DISTRICT OFFICIALS

LIST OF PRINCIPAL OFFICIALS

SEPTEMBER 30, 2021

Chairman	Virginia H. Johns
Vice Chairman	Richard Schwab
Secretary-Treasurer	Charles Keith
Board Members	Dr. George Cole William Lloyd Larry Sessions Harry Smith Larry Thompson
Executive Director	Hugh Thomas



Powell & Jones
Certified Public Accountants

Richard C. Powell, Jr., CPA
Marian Jones Powell, 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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We 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.

Opinions

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, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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

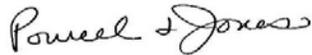
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by the audit requirements of Title 2 U.S 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 February 22, 2022, 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
February 22, 2022

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, 2021.

Financial Highlights

The assets of the Suwannee River Water Management District exceeded its liabilities at the close of the most recent fiscal year by \$249,229,500(net position).

The District's total net position decreased by \$300,379.

As of the close of the 2020-2021 fiscal year, the District's governmental funds reported combined ending fund balances of \$37,348,423, a decrease of \$1,285,905 in comparison with the prior year.

At the end of the 2020-2021 fiscal year the unassigned balance for the general fund was \$9,939,030.

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 five 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, Land Management and Operations Fund, District Special Revenue Fund, State Special Revenue Fund and Federal Special Revenue Fund; each of which is considered to be a major fund.

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 \$249,229,500 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>2021</u>	<u>2020</u>
Current and other assets	\$ 44,702,655	\$ 47,307,750
Capital assets:		
Land and other improvements	212,308,524	211,637,446
Other capital assets, net of depreciation	<u>4,396,855</u>	<u>4,524,159</u>
Total assets	<u>261,408,034</u>	<u>263,469,355</u>
Deferred outflows	<u>1,225,101</u>	<u>1,658,806</u>
Long-term liabilities outstanding	3,009,491	6,607,405
Other liabilities	<u>7,354,232</u>	<u>8,673,422</u>
Total liabilities	<u>10,363,723</u>	<u>15,280,827</u>
Deferred inflows	<u>3,039,912</u>	<u>317,455</u>
Net position		
Invested in capital assets, net of related debt	216,705,379	216,161,605
Restricted for land acquisition and management	9,645,411	11,246,083
Restricted for water supply and resource management	14,099,128	14,443,664
Unrestricted	<u>8,779,582</u>	<u>7,678,527</u>
Total net position	<u>\$ 249,229,500</u>	<u>\$ 249,529,879</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 \$300,379. 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**

	<u>2021</u>	<u>2020</u>
Revenues:		
Program revenues:		
Charges for services	\$ 298,818	\$ 292,986
Operating grants and contributions	12,244,961	14,277,983
Capital grants and contributions	1,594,725	718,515
General revenues:		
Property taxes	6,192,298	6,057,219
Other income	1,136,355	1,794,889
Unrestricted investment earnings	599,272	1,284,752
(Loss) on disposal of assets and conveyance	(519,346)	(1,314)
Change in fair value of investments	(1,214,409)	468,304
Total revenues	<u>20,332,674</u>	<u>24,893,334</u>
Expenses:		
Water resource planning and monitoring	6,692,428	5,779,595
Acquisition, restoration and public works	7,077,481	10,833,908
Operation, maintenance of lands and works	3,755,107	4,148,084
Regulation	1,425,716	1,641,944
Outreach	179,194	215,939
Administration	1,503,127	1,790,948
Land conveyance/exchange	-	1,554,090
Total expenses	<u>20,633,053</u>	<u>25,964,508</u>
Increase (decrease) in net position	(300,379)	(1,071,174)
Net position, beginning of year	249,529,879	250,687,389
Prior period adjustment	-	(86,336)
Net position, end of year	<u>\$ 249,229,500</u>	<u>\$ 249,529,879</u>

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 \$37,348,423, a decrease of \$1,285,905 over the prior year. Approximately 27% 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 \$9,939,030, while total fund balance reached \$16,038,011. Total unassigned fund balance represents 135% 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 \$3,138,288. The key factor in this decrease was a transfer to the District Special Revenue Fund.

The Land Management and Operations Fund had a total Fund Balance of \$3,424,739. The majority of the \$ 186,079 increase in this fund in the current year was attributable to timber revenue.

The District Fund had a total fund balance of \$9,481,702.

The State Fund had a total fund balance of \$8,403,971.

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

Budgetary Highlights

General Fund

During the year salaries and benefits were \$337,878 less than amounts budgeted, and professional services were \$1,088,625 less than budgeted, while operating expenditures were \$ 437,910 less than budget. The intergovernmental expenses were \$241,322 less than the budget.

Land Management and Operations Fund

During the year there was a total of \$2,742,982 less in expenditures overall than what was budgeted.

District Fund

During the year there was a total of \$4,103,208 less in expenditures overall than what was budgeted.

State Fund

During the year there was a total of \$25,421,738 less in expenditures overall than what was budgeted.

Federal Fund

During the year there was a total of \$2,400,398 less in expenditures overall than what was budgeted.

Capital Asset Administration

Capital assets. The Suwannee River Water Management District's investment in capital assets as of September 30, 2021, amounts to \$216,705,379 (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 2021-2022 budget include:

State of Florida's focus on water quality, 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, 2021**

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 1,167,275
Investments	42,046,911
Accounts receivable	106,670
Intergovernmental receivables	1,368,135
Prepaid items	13,664
Capital assets not being depreciated	
Land	212,308,524
Capital assets, net of accumulated depreciation	
Buildings	3,393,763
Equipment	1,003,092
Total fixed assets, net	216,705,379
Total assets	261,408,034
DEFERRED OUTFLOWS OF RESOURCES	
Other post employee benefits	27,438
Pension obligations	1,197,663
	1,225,101
LIABILITIES	
Accounts payable	1,917,479
Accrued liabilities	213,244
Interest payable	536
Unearned revenues	4,568,950
Deposits	120,000
Performance damage deposits	534,023
Compensated absences	58,276
Other post employment benefits	55,271
Net pension liability	539,207
Long-term liabilities	
Compensated absences	330,231
Other post employment benefits	313,205
Due in more than one year, net pension liability	1,713,301
Total liabilities	10,363,723
DEFERRED INFLOWS OF RESOURCES	
Pension obligations	3,039,912
NET POSITION	
Net investment in capital assets	216,705,379
Restricted for:	
Florida Forever	66,351
DOT ETDM	41,918
Water Management Lands Trust Fund -Springs	7,311
Land Management	2,401,367
Surplus Lands Funds	1,023,372
DOT Mitigation Projects	305,212
Suwannee River Partnership Projects	682,236
Land Acquisition - Mitigation/Save Our Rivers	7,244,044
Alternative Water Supply	56,899
Project Effectiveness Metrics	485,994
RIVER Cost-Share	2,385,702
Agricultural Cost-Share	2,878,050
Regional Water Resource Projects	3,731,956
Economic Stabilization Reserve	2,434,127
Unrestricted	
Operating Liquidity Reserve	3,651,190
General Fund Operations	5,128,392
Total net position	\$ 249,229,500

See notes to financial statements.

SUWANNEE RIVER WATER MANAGEMENT DISTRICT
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Water resource planning and monitoring	\$ 6,692,428	\$ -	\$ 5,392,444	\$ 56,702	\$ (1,243,282)
Acquisition, restoration and public works	7,077,480	250	3,566,982	1,315,341	(2,194,907)
Operation, maintenance of lands and works	3,755,107	-	1,984,111	184,104	(1,586,892)
Regulation	1,425,716	298,568	832,104	20,896	(274,148)
Outreach	179,194	-	-	-	(179,194)
Administration	1,503,126	-	469,318	17,682	(1,016,126)
Total governmental activities	\$ 20,633,051	\$ 298,818	\$ 12,244,959	\$ 1,594,725	\$ (6,494,549)

General Revenues

Property taxes	\$ 6,192,298
Timber sales	1,024,101
Interest income	599,272
Other income	112,254
Decrease in fair value of investments	(1,214,409)
Loss on disposal of assets	(519,346)
Total general revenues	6,194,170
Change in net position	(300,379)
Net position at beginning of year	249,529,879
Net position at end of year	\$ 249,229,500

See notes to financial statements.

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
September 30, 2021**

	Special Revenue Funds					Total Governmental Funds
	General Fund	Land Management & Operations Fund	District Fund	State Fund	Federal Fund	
Assets						
Cash and cash equivalents	\$ 1,167,275	\$ -	\$ -	\$ -	\$ -	\$ 1,167,275
Investments	42,046,911	-	-	-	-	42,046,911
Receivables	33,069	73,601	-	-	-	106,670
Intergovernmental receivables	1,917	10,309	-	1,016,320	339,590	1,368,136
Prepaid items	13,664	-	-	-	-	13,664
Due from other funds	-	4,061,586	9,603,891	12,940,313	-	26,605,790
Total assets	\$ 43,262,836	\$ 4,145,496	\$ 9,603,891	\$ 13,956,633	\$ 339,590	\$ 71,308,446
Liabilities						
Accounts payable	\$ 510,663	\$ 237,646	\$ 122,189	\$ 758,201	\$ 288,779	\$ 1,917,478
Accrued liabilities	213,245	-	-	-	-	213,245
Interest payable	-	-	-	536	-	536
Unearned revenues	-	483,112	-	4,085,838	-	4,568,950
Due to other funds	25,846,892	-	-	708,087	50,811	26,605,790
Deposits payable	120,000	-	-	-	-	120,000
Performance damage deposits	534,024	-	-	-	-	534,024
Total liabilities	27,224,824	720,758	122,189	5,552,662	339,590	33,960,023
Fund balances						
Nonspendable:						
Prepaid expenses	13,664	-	-	-	-	13,664
Investment fair value adjustment	-	-	-	11,211	-	11,211
Restricted for:						
Land Management	-	2,401,367	-	-	-	2,401,367
Surplus Land Funds	-	1,023,372	-	-	-	1,023,372
Alternative Water Supply	-	-	-	56,899	-	56,899
Water Management Lands Trust Fund	-	-	-	7,311	-	7,311
Florida Forever	-	-	-	66,351	-	66,351
DOT ETDM	-	-	-	41,918	-	41,918
DOT Mitigation Projects	-	-	-	305,212	-	305,212
Suwannee River Partnership Projects	-	-	-	678,730	-	678,730
Land Acquisition - PCS Mitigation	-	-	-	7,236,339	-	7,236,339
Committed for:						
Project Effectiveness Metrics	-	-	485,994	-	-	485,994
Agricultural Cost-Share	-	-	2,878,050	-	-	2,878,050
Regional Water Resource Projects	-	-	3,731,956	-	-	3,731,956
RIVER Cost-Share	-	-	2,385,702	-	-	2,385,702
Economic Stabilization Reserve	2,434,127	-	-	-	-	2,434,127
Assigned, Operating Liquidity Reserve	3,651,190	-	-	-	-	3,651,190
Unassigned, general fund operations	9,939,030	-	-	-	-	9,939,030
Total fund balances	16,038,011	3,424,739	9,481,702	8,403,971	-	37,348,423
Total liabilities and fund balance	\$ 43,262,835	\$ 4,145,497	\$ 9,603,891	\$ 13,956,633	\$ 339,590	

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.	216,705,379
Deferred outflows/inflows are not available resources, and, therefore are not reported in the funds.	(1,814,811)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(3,009,491)
Net position of governmental activities	\$ 249,229,500

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, 2021

	Special Revenue Funds					Total Governmental Funds
	General Fund	Land Management & Operations Fund	District Fund	State Fund	Federal Fund	
Revenues						
Ad valorem taxes	\$ 5,350,717	\$ 841,581	\$ -	\$ -	\$ -	\$ 6,192,298
Intergovernmental revenue	2,851,036	2,168,215	-	7,529,833	1,290,602	13,839,686
License and permit fees	298,568	-	-	-	-	298,568
Charges for service	-	250	-	-	-	250
Timber revenue	-	1,024,101	-	-	-	1,024,101
Other income	3,848	73,649	-	49,372	-	126,869
Interest income	423,067	-	-	176,205	-	599,272
Increase (decrease) in fair value of investments	(884,221)	-	-	(330,188)	-	(1,214,409)
Total revenues	8,043,015	4,107,796	-	7,425,222	1,290,602	20,866,635
Expenditures						
General government						
Water resource planning and monitoring	3,033,939	-	31,218	2,647,509	944,787	6,657,453
Acquisition, restoration and public works	1,111,852	10,241	1,169,779	4,427,882	345,815	7,065,569
Operation, maintenance of lands and works	-	3,708,221	-	-	-	3,708,221
Regulation	1,495,223	-	-	-	-	1,495,223
Outreach	184,722	-	-	-	-	184,722
Administration	1,446,627	-	-	-	-	1,446,627
Capital outlay	111,349	203,255	15,265	1,264,856	-	1,594,725
Total general government expenditures	7,383,712	3,921,717	1,216,262	8,340,247	1,290,602	22,152,540
Excess (deficiency) of revenues over (under) expenditures	659,303	186,079	(1,216,262)	(915,025)	-	(1,285,905)
Other financing sources (uses)						
Transfers in	-	-	3,797,591	-	-	3,797,591
Transfers out	(3,797,591)	-	-	-	-	(3,797,591)
Total other financing sources (uses)	(3,797,591)	-	3,797,591	-	-	-
Net change in fund balance	(3,138,288)	186,079	2,581,329	(915,025)	-	(1,285,905)
Fund balances at beginning of year	19,176,299	3,238,660	6,900,373	9,318,996	-	38,634,328
Fund balances at end of year	\$ 16,038,011	\$ 3,424,739	\$ 9,481,702	\$ 8,403,971	\$ -	\$ 37,348,423

See notes to financial statements.

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, 2021

Net change in fund balances - total governmental funds		\$ (1,285,905)
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	1,594,725	
Less current year depreciation	<u>(531,605)</u>	1,063,120
 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 conveyance of equipment to UF/IFAS per grant agreement	<u>(519,346)</u>	(519,346)
 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	(3,139,184)	
PILT	(14,615)	
OPEB	(2,363)	
Recognition of changes in long-term debt:		
Compensated absences	36,545	
OPEB liability	(16,099)	
Net pension liability	<u>3,577,468</u>	<u>441,752</u>
 Change in net position of governmental activities		<u>\$ (300,379)</u>

See notes to the financial statements.

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

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.

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 Land Management and Operations Fund accounts for timber transactions, land use charges, acquisitions and surplus, fleet and facilities, 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.

The District Special Revenue Fund was created to consolidate similar accounting funds that were established by the Governing Board's commitment of fund balance for a specific use. Those accounting funds consolidated into the District Special Revenue Fund includes the Agricultural Cost-Share program, Regional Initiative Valuing Environmental Resources (RIVER) Cost-Share program, Project Effectiveness Metrics, and Regional Water Resource Development.

The State Special Revenue Fund was created to consolidate similar accounting funds that were established to account for programs funded by the State of Florida for a specific purpose. Those accounting funds consolidated into the State Special Revenue Fund includes the Alternative Water Supply and Water Protection and Sustainability Program Grants, Springs Appropriation Grants, Water Management Lands Trust Fund - Springs Appropriation, Florida Forever / Preservation 2000, DOT - Environmental Transportation Decision Making (ETDM) Grant, DOT Mitigation Grants, Minimum Flows and Minimum Water Levels (MFL) Appropriations, Suwannee River Partnership Program, Land Acquisition from Mitigation Funds, and Other State Reimbursable Grants.

The Federal Special Revenue Fund was created to consolidate similar accounting funds that were established to account for programs funded by Federal grants for a specific purpose. Those accounting funds consolidated into the Federal Special Revenue Fund includes FEMA Risk Map Program Grants, and other Federal Reimbursable Grant programs.

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 2020-2021 fiscal year was .3696 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 \$5,000 (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:

Assets	Years
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 and timber 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, 2021, the District reported \$4,568,950 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 two 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 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, 2021, 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, 2021, fund balances are composed of the following:

	<u>Governmental Funds</u>
Nonspendable, Prepaid Expenses	\$ 13,664
Nonspendable, Investment Fair Value Adjustment	11,211
Restricted, Florida Forever	66,351
Restricted, DOT ETDM	41,918
Restricted, Land Management	2,401,367
Restricted, Surplus Land Funds	1,023,372
Restricted, DOT Mitigation Projects	305,212
Restricted, Suwannee River Partnership Projects	678,730
Restricted, Alternative Water Supply	56,899
Restricted, Water Management Lands Trust Fund	7,311
Restricted, Land Acquisition - Mitigation/Save Our Rivers	7,236,339
Committed, Project Effectiveness Metrics	485,994
Committed, RIVER Cost-Share	2,385,702
Committed, Agricultural Cost-Share	2,878,050
Committed, Regional Water Source Projects	3,731,956
Committed, Economic Stabilization Reserve	2,434,127
Assigned, Operating Liquidity	3,651,190
Unassigned, General Fund Operations	9,939,030
	<u>\$ 37,348,423</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.

F. New Accounting Pronouncements

In June 2017, GASB issued Statement No. 87, *Leases* and was to be effective for reporting periods

beginning after December 15, 2019. However due to the COVID-19 Disease the effective date was delayed to fiscal year 2022 for all June and September year-ends. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The District is currently evaluating the effect that implementation of the new standard will have on its financial statements.

In May 2020, GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements, to be effective for fiscal years beginning after June 15, 2022. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. A government should recognize amortization of the subscription asset as an outflow of resources over the subscription term. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The District is required to implement this Statement in its fiscal year beginning October 1, 2022.

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 \$37,348,423 differs from “net position” of governmental activities \$249,229,500 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	\$ 222,017,128
Accumulated depreciation	(5,311,749)
	<u>\$ 216,705,379</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, 2021, were:

Compensated absences	\$ (388,507)
Other post-employment benefits	(368,476)
Net pension liability	<u>(2,252,508)</u>
	<u>\$ (3,009,491)</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	\$ 1,225,101
Deferred inflows	<u>(3,039,912)</u>
	<u>\$ (1,814,811)</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
ASSETS						
Cash and cash equivalents	\$ 1,167,275	\$ -	\$ -	\$ -	\$ -	\$ 1,167,275
Investments	42,046,911	-	-	-	-	42,046,911
Receivables	106,670	-	-	-	-	106,670
Intergovernmental receivables	1,368,135	-	-	-	-	1,368,135
Prepaid items	13,664	-	-	-	-	13,664
Due from other funds	26,605,790	-	-	-	(26,605,790)	-
Capital assets - net	-	-	216,705,379	-	-	216,705,379
Total assets	71,308,445	-	216,705,379	-	(26,605,790)	261,408,034
DEFERRED OUTFLOWS						
OPEB obligation	-	27,438	-	-	-	27,438
Pension obligations	-	1,197,663	-	-	-	1,197,663
	-	1,225,101	-	-	-	1,225,101
LIABILITIES						
Accounts payable	1,917,479	-	-	-	-	1,917,479
Accrued liabilities	213,244	-	-	-	-	213,244
Interest payable	536	-	-	-	-	536
Unearned revenues	4,568,950	-	-	-	-	4,568,950
Due to other funds	26,605,790	-	-	-	(26,605,790)	-
Deposits payable	120,000	-	-	-	-	120,000
Performance damage deposits	534,023	-	-	-	-	534,023
Compensated absences	-	-	-	388,507	-	388,507
OPEB liability	-	-	-	368,476	-	368,476
Net pension liability	-	-	-	2,252,508	-	2,252,508
Total liabilities	33,960,022	-	-	3,009,491	(26,605,790)	10,363,723
DEFERRED INFLOWS	-	3,039,912	-	-	-	3,039,912
FUND BALANCE/NET POSITION						
Fund balance/net position	\$ 37,348,423	\$ (1,814,811)	\$ 216,705,379	\$ (3,009,491)	\$ -	\$ 249,229,500

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 \$ (1,285,905) differs from the “change in net position” for governmental activities \$(300,379) 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	\$ 1,594,725
Depreciation expense	(531,605)
Loss of disposals and grants	(519,346)
	<u>\$ 543,774</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	\$ 36,545
Net increase in other post-employment benefits	(16,099)
Net decrease in net pension expense	3,577,468
	<u>\$ 3,597,914</u>

Other items

Recognition of certain obligations related to prior and subsequent periods are not recognized in the governmental funds.	<u>\$ (3,156,162)</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
Revenues					
Ad valorem taxes	\$ 6,192,298	\$ -	\$ -	\$ -	\$ 6,192,298
Intergovernmental revenue	13,839,686	-	-	-	13,839,686
License and permit fees	298,568	-	-	-	298,568
Charges for service	250	-	-	-	250
Timber revenue	1,024,101	-	-	-	1,024,101
Interest income	599,272	-	-	-	599,272
Increase in fair value of investment	(1,214,409)	-	-	-	(1,214,409)
Other income	126,869	-	-	(14,615)	112,254
Total revenues	20,866,635	-	-	(14,615)	20,852,020
Expenditures					
General government					
Water resource planning and monitoring	6,657,453	196,015	(1,269,122)	1,108,082	6,692,428
Acquisition, restoration and public works	7,065,569	92,973	(639,568)	558,507	7,077,481
Operation, maintenance of lands and work	3,708,221	97,707	(399,006)	348,185	3,755,107
Regulation	1,495,223	15,829	(672,819)	587,483	1,425,716
Outreach	184,722	6,555	(95,423)	83,340	179,194
Administration	1,446,627	122,526	(521,976)	455,950	1,503,127
Capital outlay	1,594,725	(1,594,725)	-	-	-
Total general government expenditures	22,152,540	(1,063,120)	(3,597,914)	3,141,547	20,633,053
Excess of revenues over expenditures	(1,285,905)	1,063,120	3,597,914	(3,156,162)	218,967
Other financing sources (uses)					
Transfers in	3,797,591	-	(3,797,591)	-	-
Transfers out	(3,797,591)	-	3,797,591	-	-
Gain (loss) on disposal of assets	-	(519,346)	-	-	(519,346)
Total other financing sources (uses)	-	(519,346)	-	-	(519,346)
Net change in fund balance	(1,285,905)	543,774	3,597,914	(3,156,162)	(300,379)
Prior period adjustment	-	-	-	-	-
Fund balance at beginning of year	38,634,328	216,161,605	(6,607,405)	1,341,351	249,529,879
Fund balance at end of year	\$ 37,348,423	\$ 216,705,379	\$ (3,009,491)	\$ (1,814,811)	\$ 249,229,500

NOTE 3. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits. At year end, the carrying amount of the District's deposits was \$1,167,275. The entire bank balance of \$1,318,982, 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, 2021 of this pool was 0.9988. This fair value factor is also posted to the Florida State Treasury website at 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, 2021 was 2.62 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, 2021.

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, 2021, the District had the following investments reported fair values:

Florida Treasury Investment Pool	<u>Fair Value</u> <u>\$ 42,046,911</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>\$ 4,568,950</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	\$ 1,917	\$ 1,366,219	\$ 1,368,136
Other	33,069	73,601	106,670
Gross total receivables	\$ 34,986	\$ 1,439,820	\$ 1,474,806

D. Capital Assets

Capital asset activity for the year ended September 30, 2021, was as follows:

	Beginning	Additions	Deletions	Adjustments	Ending
Non-depreciable:					
Land	\$ 152,167,491	\$ 671,077	\$ -	\$ -	\$ 152,838,568
Easements	59,432,271	-	-	-	59,432,271
Land - Headquarters	37,685	-	-	-	37,685
	211,637,447	671,077	-	-	212,308,524
Depreciable					
Buildings and improvements	6,646,376	171,248	-	-	6,817,624
Office/field	1,278,502	33,401	-	-	1,311,903
Computer	747,801	106,069	(37,416)	-	816,454
Mobile	806,770	612,930	(657,077)	-	762,623
	9,479,449	923,648	(694,493)	-	9,708,604
Total capital assets	221,116,896	1,594,725	(694,493)	-	222,017,128
Depreciation:					
Building	(3,227,599)	(196,262)	-	-	(3,423,861)
Office/field	(793,606)	(147,845)	-	-	(941,451)
Computer	(529,143)	(94,296)	33,999	-	(589,440)
Mobile	(404,943)	(93,202)	141,148	-	(356,997)
	(4,955,291)	(531,605)	175,147	-	(5,311,749)
Net depreciable assets	4,524,158	392,043	(519,346)	-	4,396,855
Total assets	\$ 216,161,605	\$ 1,063,120	\$ (519,346)	\$ -	\$ 216,705,379

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

Governmental Activities	
Water, resource, planning and monitoring	\$ 196,015
Acquisition, restoration and public works	92,973
Operation, maintenance of lands and works	97,707
Regulation	15,829
Outreach	6,555
Administration	122,526
Total depreciation expense	<u>\$ 531,605</u>

E. Interfund Balances and Activity

Interfund Receivables/Payables

	Due To	Due From
General Fund	\$ 25,846,892	\$ -
Land Management & Operations Fund	-	4,061,586
District Fund	-	9,603,891
State Fund	708,087	12,940,313
Federal Fund	50,811	-
	<u>\$ 26,605,790</u>	<u>\$ 26,605,790</u>

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

Transfers To/From Other Funds

Fund	Transfers In	Transfers Out
General Fund	\$ -	\$ 3,797,591
District Fund	3,797,591	-
	<u>\$ 3,797,591</u>	<u>\$ 3,797,591</u>

Interfund transfers are generally utilized to allocate portions of General Fund reserves to capital expenditures in other funds.

F. Leases

Operating Leases. The District leases equipment under noncancellable operating leases. Lease expenditures for the year ended September 30, 2021, amounted to \$58,877. The future minimum lease payments for leases are as follows:

Fiscal Year Ending September 30,	Amount
2022	\$ 60,899
2023	36,025
2024	31,173
2025	1,414
2026	943
	<u>\$ 130,454</u>

G. Long-term Liabilities

Changes in Long-term Liabilities: Long-term liability activity for the year ended September 30, 2021, was as follows:

	Balance 10/1/2020	Additions	Reductions	Balance 9/30/2021	Due Within One Year
Governmental activities:					
Compensated absences	\$ 425,052	\$ 347,911	\$ (384,456)	\$ 388,507	\$ 58,276
Other post-employment benefits	352,377	16,099	-	368,476	55,271
Net pension liability	5,829,976	-	(3,577,468)	2,252,508	539,207
	<u>\$ 6,607,405</u>	<u>\$ 364,010</u>	<u>\$ (3,961,924)</u>	<u>\$ 3,009,491</u>	<u>\$ 652,754</u>

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

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

One Board members were approved to participate in the District Agricultural Cost-Share Program receiving \$16,920. This noncompetitive program assists farmers in upgrading irrigations systems to reduce water use and nitrogen loading.

Five Board members hold environmental resource permits. Two Board members hold agricultural water use permits, and one 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.

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, 2020 through June 30, 2021 and from July 1, 2021 through September 30, 2021, respectively, were as follows: Regular—10.00% and 10.82%; Special Risk Administrative Support—35.84% and 37.76%; Special Risk—24.45% and 25.89%; Senior Management Service—27.29% and 29.01%; Elected Officers'—39.73% and 40.91%; and DROP participants—16.98% and 18.34%. These employer contribution rates include a 1.66% and 1.66% HIS Plan subsidy for the periods October 1, 2020 through June 30, 2021 and from July 1, 2021 through September 30, 2021, respectively.

The District's contributions, including employee contributions, to the Pension Plan totaled \$556,084 for the fiscal year ended September 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2021, the District reported a liability of \$811,440 for its proportionate share of the Pension Plan’s net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The District’s proportionate share of the net pension liability was based on the District’s 2020-21 fiscal year contributions relative to the 2019-20 fiscal year contributions of all participating members. At June 30, 2021, the District's proportionate share was .010742049 percent, which was an increase of 5.96 percent from its proportionate share measured as of June 30, 2020.

For the fiscal year ended September 30, 2021, the District recognized pension income of \$34,890. In addition the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 139,082	\$ -
Changes in assumptions	555,227	-
Net difference between projected and actual earnings on Pension Plan investments	-	2,830,909
Changes in proportion and differences between District Pension Plan contributions and proportionate share of contributions	157,840	124,915
District Pension Plan contributions subsequent to the measurement date	128,373	-
Total	\$ 980,522	\$ 2,955,824

The deferred outflows of resources related to the Pension Plan, totaling \$128,373 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, 2021. 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:

<u>Fiscal Year Ending September 30</u>	<u>Amount</u>
2022	\$ (433,517)
2023	(675,176)
2024	(573,897)
2025	(343,078)
2026	(78,007)
Thereafter	-
	\$ (2,103,675)

Actuarial Assumptions – The total pension liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Inflation	2.0%
Salary increases	3.25%, average, including inflation
Investment rate of return	6.80%, net of pension plan investment expense, including inflation
Discount rate	6.80%

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

The actuarial assumptions used in the July 1, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

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

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.1%	2.1%	1.1%
Fixed income	20.0%	3.8%	3.7%	3.3%
Global equity	54.2%	8.2%	6.7%	17.8%
Real estate	10.3%	7.1%	6.2%	13.8%
Private equity	10.8%	11.7%	8.5%	26.4%
Strategic investments.	3.7%	5.7%	5.4%	8.4%
Total	100.0%			
Assumed inflation - mean			2.4%	1.2%

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	\$ 3,628,814	\$ 811,440	\$ (1,543,569)

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, 2021, the District did not have any payables to report for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2021.

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, 2021, 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, 2021, the HIS contribution for the period October 1, 2020 through June 30, 2021 and from July 1, 2021 through September 30, 2021 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 \$93,837 for the fiscal year ended September 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2021, the District reported a liability of \$1,441,068 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The District's proportionate share of the net pension liability was based on the District's 2020-21 fiscal year contributions relative to the 2019-20 fiscal year contributions of all participating members. At June 30, 2021, the District's proportionate share was .0117479940707 percent, which was a decrease of .12 percent from its proportionate share of .011761557686 measured as of June 30, 2021.

For the fiscal year ended September 30, 2021, the District recognized HIS expense of \$97,095. 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	\$ 48,222	\$ 604
Changes in assumptions	113,236	59,376
Net difference between projected and actual earnings on HIS Plan investments	1,502	-
Changes in proportion and differences between District HIS Plan contributions and proportionate share of contributions	35,842	24,108
District HIS Plan contributions subsequent to the measurement date	18,339	-
Total	\$ 217,141	\$ 84,088

The deferred outflows of resources related to the HIS Plan, totaling \$18,339 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, 2021. 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
2022	\$ 31,748
2023	23,550
2024	6,435
2025	14,943
2026	20,347
Thereafter	17,691
	\$ 114,714

Actuarial Assumptions - The total pension liability in the July 1, 2021, 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	2.16%

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

The actuarial assumptions used in the July 1, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018

Discount Rate - The discount rate used to measure the total pension liability was 2.16%. 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 2.16%, 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 1.16% or one percentage point higher 3.16% than the current rate:

	1% Decrease 1.16%	Current Discount Rate 2.16%	1% Increase 3.16%
District's proportionate share of the net pension liability	\$ 1,666,014	\$ 1,441,068	\$ 1,256,775

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, 2021, the District did not have any payables to report for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2021.

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 6.30%, Special Risk Administrative Support class 7.95%, Special Risk class 14.0%, Senior Management Service class 7.67% and District Elected Officers class 11.34%.

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, 2021, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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 fifteen participants in the Investment Plan for the fiscal year ended September 30, 2021.

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, 2020:

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, 2021, the District recognized OPEB expense of \$16,099.

Total OPEB Liability - The District’s total OPEB liability as of September 30, 2021 was determined by an actuarial valuation as of September 30, 2019 using September 30, 2020 as the measurement date. The actuarial assumptions used in the September 30, 2019 valuation with a measurement date of September 30, 2020 were as follows:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	3.00%
Discount Rate	2.41%
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 2.75% as of the beginning of the measurement period to 2.41% as of September 30, 2020. 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 2.41% (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 2.75% 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>2020</u>
Total OPEB Liability	
Service cost	\$ 28,618
Interest	10,068
Changes in benefit terms	-
Difference between expected and actual experience of Total OPEB Liability	-
Changes in assumptions and inputs	7,214
Benefit payments	(29,801)
Net changes	<u>16,099</u>
Total OPEB Liability - Beginning of Fiscal Year	<u>352,377</u>
Total OPEB Liability - Ending of Fiscal Year	<u>\$ 368,476</u>
Covered Employee Payroll	\$ 4,134,319
Total OPEB Liability as a percentage of Covered Employee Payroll	8.91%

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 (1.41%) or 1 percentage point higher (3.41%) than the current discount rate.

	<u>1% Decrease (1.41%)</u>	<u>Discount Rate (2.41%)</u>	<u>1% Increase (3.41%)</u>
Total other postemployment benefits liability	<u>\$ 390,167</u>	<u>\$ 368,476</u>	<u>\$ 347,807</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 Trend Rate Assumption</u>	<u>1% Increase</u>
Total other postemployment benefits liability	<u>\$ 340,248</u>	<u>\$ 368,476</u>	<u>\$ 401,252</u>

Statement of OPEB expense Employer Fiscal Year End September 30, 2021:

(Based on Measurement Period Ending September 30, 2020)

OPEB Expense		
Service cost	\$	28,618
Interest on the Total OPEB Liability		10,068
Changes in benefit terms		-
Difference between expected and actual experience of Total OPEB Liability		-
Changes in assumptions and inputs		7,214
Benefit payments		(29,801)
Total OPEB Expense	<u>\$</u>	<u>16,099</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
2021	16,099	0%	368,476

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.

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, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		Positive (Negative)
Revenues				
Ad valorem taxes	\$ 4,720,432	\$ 4,720,432	\$ 5,350,717	\$ 630,285
Licenses and permits	2,826,480	163,000	298,568	135,568
Intergovernmental revenue	163,000	2,826,480	2,851,036	24,556
Other income	-	-	3,848	3,848
Interest income	130,000	130,000	423,067	293,067
Investment fair value increase/(decrease)	-	-	(884,221)	(884,221)
Total revenues	7,839,912	7,839,912	8,043,015	203,103
Expenditures				
General government				
Salaries and benefits	5,181,595	5,181,595	4,843,717	337,878
Contractual services	2,074,290	2,074,290	985,665	1,088,625
Operating expenditures	1,016,233	1,016,233	578,323	437,910
Intergovernmental expenditures	1,105,980	1,105,980	864,658	241,322
Capital outlay	253,336	253,336	111,349	141,987
Total general government expenditures	9,631,434	9,631,434	7,383,712	2,247,722
Excess (deficiency) of revenues over (under) expenditures	(1,791,522)	(1,791,522)	659,303	2,450,825
Other financing sources (uses)				
Transfers in (out)	(75,000)	(3,872,591)	(3,797,591)	75,000
Total other financing sources (uses)	(75,000)	(3,872,591)	(3,797,591)	75,000
Net change in fund balance	(1,866,522)	(5,664,113)	(3,138,288)	2,525,825
Fund balance at beginning of year	19,176,299	19,176,299	19,176,299	-
Fund balance at end of year	\$ 17,309,777	\$ 13,512,186	\$ 16,038,011	\$ 2,525,825

See notes to required supplementary information.

SUWANNEE RIVER WATER MANAGEMENT DISTRICT
LAND MANAGEMENT AND OPERATIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		Positive (Negative)
Revenues				
Ad valorem taxes	\$ 1,314,250	\$ 1,314,250	\$ 841,581	\$ (472,669)
Licenses and permits	-	-	-	-
Intergovernmental revenue	2,330,119	2,330,119	2,168,215	(161,904)
Charges for service	-	-	250	250
Timber revenue	1,000,000	1,000,000	1,024,101	24,101
Other income	-	-	73,649	73,649
Interest income	-	-	-	-
Investment fair value increase/(decrease)	-	-	-	-
Total revenues	4,644,369	4,644,369	4,107,796	(536,573)
Expenditures				
General government				
Salaries and benefits	786,979	786,979	756,068	30,911
Contractual services	3,328,610	3,328,610	1,958,239	1,370,371
Operating expenditures	722,467	722,467	378,523	343,944
Intergovernmental expenditures	1,133,708	1,133,708	625,632	508,076
Capital outlay	692,935	692,935	203,255	489,680
Total general government expenditures	6,664,699	6,664,699	3,921,717	2,742,982
Excess (deficiency) of revenues over (under) expenditures	(2,020,330)	(2,020,330)	186,079	2,206,409
Other financing sources (uses)				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(2,020,330)	(2,020,330)	186,079	2,206,409
Fund balance at beginning of year	3,238,660	3,238,660	3,238,660	-
Fund balance at end of year	\$ 1,218,330	\$ 1,218,330	\$ 3,424,739	\$ 2,206,409

SUWANNEE RIVER WATER MANAGEMENT DISTRICT
DISTRICT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenue	-	-	-	-
Other income	-	-	-	-
Interest income	-	-	-	-
Investment fair value increase/(decrease)	-	-	-	-
Total revenues	-	-	-	-
Expenditures				
General government				
Salaries and benefits				-
Contractual services	2,250,000	2,234,700	754,445	1,480,255
Operating expenditures	30,000	30,000	13,935	16,065
Intergovernmental expenditures	3,039,470	3,039,470	432,617	2,606,853
Capital outlay	-	15,300	15,265	35
Total general government expenditures	5,319,470	5,319,470	1,216,262	4,103,208
Excess (deficiency) of revenues over (under) expenditures	(5,319,470)	(5,319,470)	(1,216,262)	4,103,208
Other financing sources (uses)				
Transfers in (out)	-	3,797,591	3,797,591	-
Total other financing sources (uses)	-	3,797,591	3,797,591	-
Net change in fund balance	(5,319,470)	(1,521,879)	2,581,329	4,103,208
Fund balance at beginning of year	6,900,373	6,900,373	6,900,373	-
Fund balance at end of year	1,580,903	5,378,494	9,481,702	4,103,208

See notes to required supplementary information.

SUWANNEE RIVER WATER MANAGEMENT DISTRICT
STATE SPECIAL REVENUE FUND
BUDGET AND ACTUAL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenue	31,178,384	31,178,384	7,529,833	(23,648,551)
Other income	-	-	49,372	49,372
Interest income	-	-	176,205	176,205
Investment fair value increase/(decrease)	-	-	(330,188)	(330,188)
Total revenues	31,178,384	31,178,384	7,425,222	(23,753,162)
Expenditures				
General government				
Salaries and benefits	724,985	724,985	592,538	132,447
Contractual services	10,749,000	10,749,000	2,480,042	8,268,958
Operating expenditures	36,000	36,000	3,778	32,222
Intergovernmental expenditures	17,539,000	17,539,000	3,999,033	13,539,967
Capital outlay	4,713,000	4,713,000	1,264,856	3,448,144
Total general government expenditures	33,761,985	33,761,985	8,340,247	25,421,738
Excess (deficiency) of revenues over (under) expenditures	(2,583,601)	(2,583,601)	(915,025)	1,668,576
Other financing sources (uses)				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(2,583,601)	(2,583,601)	(915,025)	1,668,576
Fund balance at beginning of year	9,318,996	9,318,996	9,318,996	-
Fund balance at end of year	\$ 6,735,395	\$ 6,735,395	\$ 8,403,971	\$ 1,668,576

See notes to required supplementary information.

SUWANNEE RIVER WATER MANAGEMENT DISTRICT
FEDERAL SPECIAL REVENUE FUND
BUDGET AND ACTUAL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenue	3,616,000	3,616,000	1,290,602	(2,325,398)
Other income	-	-	-	-
Interest income	-	-	-	-
Investment fair value increase/(decrease)	-	-	-	-
Total revenues	3,616,000	3,616,000	1,290,602	(2,325,398)
Expenditures				
General government				
Salaries and benefits	16,000	16,000	9,242	6,758
Contractual services	3,651,000	3,651,000	1,271,883	2,379,117
Operating expenditures	6,000	6,000	1,127	4,873
Intergovernmental expenditures	18,000	18,000	8,350	9,650
Capital outlay	-	-	-	-
Total general government expenditures	3,691,000	3,691,000	1,290,602	2,400,398
Excess (deficiency) of revenues over (under) expenditures	(75,000)	(75,000)	-	75,000
Other financing sources (uses)				
Transfers in (out)	75,000	75,000	-	(75,000)
Total other financing sources (uses)	75,000	75,000	-	(75,000)
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

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, 2021**

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 Manager submits 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 a resolution.
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 funds.

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*

	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the FRS net pension liability (asset)	0.010742049%	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)	\$ 811,440	\$ 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)	0.011747994%	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)	\$ 1,441,068	\$ 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)	\$ 2,252,508	\$ 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	\$ 4,189,251	\$ 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	53.77%	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	91.09%	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*

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required FRS contribution	\$ 461,356	\$ 465,924	\$ 447,416	\$ 412,608	\$ 414,295	\$ 380,782	\$ 322,994	\$ 316,354
Contractually required HIS contribution	77,852	94,280	90,534	85,079	60,327	77,992	48,263	47,271
Total Contractually Required Contributions	<u>539,208</u>	<u>560,204</u>	<u>537,950</u>	<u>497,687</u>	<u>474,622</u>	<u>458,774</u>	<u>371,257</u>	<u>363,625</u>
Contributions in relation to the contractually required contribution	(539,208)	(560,204)	(537,950)	(497,687)	(474,622)	(458,774)	(371,257)	(363,625)
Contribution deficiency (excess)	<u>\$ -</u>							
District's covered-employee payroll	\$ 4,189,251	\$ 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	12.87%	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**

Measurement Fiscal Year Ended September 30,	2020	2019	2018	2017
Total OPEB Liability				
Service cost	\$ 28,618	\$ 9,310	\$ 9,440	\$ 9,711
Interest	10,068	4,049	3,933	3,922
Changes in benefit terms	-	-	-	-
Difference between expected and actual experience of Total OPEB Liability	-	149,893	-	-
Changes in assumptions and inputs	7,214	101,180	(1,770)	(2,174)
Benefit payments	(29,801)	(16,934)	(19,312)	(31,379)
Net changes	16,099	247,498	(7,709)	(19,920)
Total OPEB Liability - Beginning of Fiscal Year	352,377	104,879	112,588	132,508
Total OPEB Liability - Ending of Fiscal Year	<u>\$ 368,476</u>	<u>\$ 352,377</u>	<u>\$ 104,879</u>	<u>\$ 112,588</u>
Covered Employee Payroll	\$ 4,134,319	\$ 3,917,555	\$ 3,798,982	\$ 3,108,830
Total OPEB Liability as a percentage of Covered Employee Payroll	8.91%	8.99%	2.76%	3.62%

*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, 2021**

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, 2021, are shown below (in thousands):

	FRS	HIS
Total pension liability	\$ 209,636,046	\$ 12,719,121
Plan fiduciary net position	(202,082,183)	(452,618)
	\$ 7,553,863	\$ 12,266,503
Plan fiduciary net position as a percentage of the total pension liability	96.40%	3.56%

The total pension liability for each plan was determined by the plans' actuary and reported in the plans' valuations dated June 30, 2021. 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, 2020, and update procedures were used to determine liabilities as of June 30, 2021. 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 2021 respectively, for employers that were members of the FRS and HIS during those fiscal years. For fiscal years June 30, 2015 through June 30, 2021, 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 ACFR 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, 2018. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increases for both Plans is assumed at 2.40%. Payroll growth, including inflation, for both Plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments 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 2.16% 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:** Decreasing the maximum amortization period to 20 years for all current and future amortization bases
- **HIS:** The municipal rate used to determine total pension liability was increased from 2.21% to 2.16%.

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT
OTHER POST-EMPLOYMENT BENEFITS (OPEB) RETIREMENT HEALTHCARE PLAN
SEPTEMBER 30, 2021**

The District obtains an actuarial report every year. 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, 2021. 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	2.41%
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.
Healthcare Cost Trend Rates	8.00% for FY beginning 2020, 7.50% for FY beginning 2021 and then gradually decreasing to an ultimate trend rate of 4.00%.

Other Information:

Notes	Changes in assumptions and other inputs include the change in the discount rate from 2.75% as of the beginning of the measurement period to 2.41% as of September 30, 2020. This change is reflected in the Schedule of Changes in Total OPEB Liability.
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There were no benefit changes during the measurement year.

As of September 30, 2019, the most recent actuarial valuation date, the Plan was unfunded. The actuarial accrued liability for benefits at September 30, 2021 was \$368,476, 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	-	352,337	352,337	0.00%	3,917,555	8.99%
9-30-21	-	368,476	368,476	0.00%	4,134,319	8.91%

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%	352,337
2021	16,099	0%	368,476

SUWANNEE RIVER WATER MANAGEMENT DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2021

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
Federal Awards							
<i>U.S. Department of Agriculture</i>							
Natural Resource Conservation Service - Lower Suwannee River Watershed Nutrient Reduction Project	15.658	N1220CPT0011155	20/21-059	\$ 323,750	\$ -	\$ 39,079	\$ -
Total U.S. Department of Agriculture				323,750	-	39,079	-
<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	200,875	197,889
U.S. Fish and Wildlife Services - SRWMD Pine Snake Habitat Restoration	15.631	F19AC00706	18/19-199	23,100	-	10,309	-
U.S. Geological Survey - U.S. National Groundwater Monitoring Network	15.980	G19AC00178	18/19-205	54,000	49,600	4,400	4,400
Total U.S. Department of Interior				493,580	52,335	215,584	202,289
<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 / NF049	18/19-174	300,000	97,166	50,995	-
Nonpoint Source 319 Implementation Grant - Education and Outreach Development for the Suwannee River Partnership	66.460	C9-99451516-0 / NF084	20/21-094	95,000	-	93,945	93,945
Total U.S. Environmental Protection Agency pass through from Florida Department of Environmental Protection				395,000	97,166	144,940	93,945
<i>U.S. Department of Homeland Security</i>							
Federal Emergency Management Agency							
Cooperating Technical Partners	97.045	EMA-2011-CA-5143	11/12-020	1,845,000	1,820,440	22,730	22,730
Cooperating Technical Partners	97.045	EMA-2012-CA-5262	11/12-134	1,220,790	1,218,479	1,808	1,808
Cooperating Technical Partners	97.045	EMA-2013-CA-5353	12/13-247	465,000	459,296	2,083	2,083
Cooperating Technical Partners	97.045	EMA-2014-CA-0264	14/15-012	627,000	621,551	5,188	5,188
Cooperating Technical Partners	97.045	EMW-2015-CA-0047	14/15-208	400,000	398,028	-	-
Cooperating Technical Partners	97.045	EMA-2016-CA-0009	15/16-061	1,088,000	629,132	168,227	168,227
Cooperating Technical Partners	97.045	EMA-2017-CA-00002	17/18-143	1,018,000	208,101	41,668	41,668
Cooperating Technical Partners	97.045	EMA-2018-CA-00006	17/18-257	1,718,594	166,866	527,358	526,231
Cooperating Technical Partners	97.045	EMA-2019-CA-00002	18/19-235	1,873,150	-	124,025	124,025
Cooperating Technical Partners	97.045	EMA-2020-CA-00003	19/20-225	2,136,750	-	8,223	8,223
Cooperating Technical Partners	97.045	EMA-2021-CA-00003	20/21-196	1,904,527	-	-	-
Total U.S. Department of Homeland Security				14,296,811	5,521,893	901,308	900,181
Total Federal Awards				\$ 15,509,141	\$ 5,671,395	\$ 1,300,911	\$ 1,196,416

SUWANNEE RIVER WATER MANAGEMENT DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (Continued)
For the Fiscal Year Ended September 30, 2021

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
State Financial Assistance							
<i>Florida Department of Agriculture Services and Consumer Services</i>							
Prescribed Fire Enhancement Program	42.017	027291	20/21-019	28,000	-	27,788	-
Total Florida Department of Agriculture Services and Consumer Services				28,000	-	27,788	-
<i>Florida Department of Environmental Protection</i>							
General Revenue Fund - Environmental Resource Permitting	37.030	WP002	20/21-073	453,000	-	453,000	-
General Revenue Fund - Operations	37.037	WP002	20/21-073	2,287,000	-	2,287,000	-
Internal Improvement Trust Fund - Payments in Lieu of Taxes	37.037	WP002	20/21-073	352,909	-	352,909	-
Land Acquisition Trust Fund - Land Management	37.022	WP002	20/21-073	1,777,210	-	1,777,210	-
Land Acquisition Trust Fund - Minimum Flows and Minimum Water Levels	37.022	WP002	20/21-073	1,635,000	-	842,636	-
Land Acquisition Trust Fund - Minimum Flows and Minimum Water Levels	37.022	N/A	N/A	1,635,000	615,699	1,019,301	-
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	-	-	-
Water Protection and Sustainability Program	37.085	WP002	20/21-073	180,000	-	-	-
Employee Interchange		EXC001	19/20-243	27,698	-	24,556	-
Total Department of Environmental Protection from Appropriations				10,192,673	2,197,419	6,756,612	-
Springs Initiative Grant Program							
Agricultural Springs Pilot Program - Low Input Agriculture and Land Conserv	37.052	LP61038	17/18-190	5,000,000	461,847	727,891	727,891
Dairy Wastewater System Improvement	37.052	LP6103C	16/17-119	1,500,000	834,235	40,512	40,512
Agricultural Springs Pilot Program - Advanced Water Quality Improvement T	37.052	LP6103D	16/17-149	1,000,000	190,273	-	-
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	-	343,132	343,132
Madison Blue Aquifer Recharge	37.052	LP6103J	17/18-096	2,150,000	-	8,287	8,287
Precision Agricultural Practices	37.052	LP6103K	17/18-030	5,000,000	827,522	191,275	191,275
Suwannee and Santa Fe River Basins Land Acquisition - Mill Creek Sink - Ph	37.052	LP6103L	17/18-041	3,500,000	1,615,576	361,446	361,446
Upper Suwannee River Regional Aquifer Recharge	37.052	LP6103M	17/18-226	2,500,000	239,512	-	-
Bradford Co. Silviculture Enhancement and Recharge	37.052	LPS0016	19/20-202	2,000,000	3,595	96,719	96,719
Dixie Co. Multiple Basin Aquifer Recharge	37.052	LPS0024	19/20-176	5,792,213	376,274	246,593	246,593
Otter Springs Onsite Sewage Treatment Disposal System Improvements	37.052	LPS0037	19/20-116	1,850,000	23,015	66,410	66,410
High Springs Gravity Sewer Extension - Phase A2	37.052	LPS0038	19/20-108	1,000,000	3,600	950,742	950,742
Ichetucknee Springs and Middle Suwannee/Mallory Swamp	37.052	S0675	13/14-022	5,448,000	5,179,511	51,390	51,390
Agricultural Springs Protection Projects	37.052	S0796	14/15-111	3,660,000	2,278,972	106,176	106,176
Improved Nutrient Application Practices in Dairy Operations	37.052	S0905	15/16-057	2,120,000	1,464,905	46,520	46,520
Total Springs Initiative Grant Program				44,768,949	13,498,836	3,237,093	3,237,093
Alternative Water Supplies							
Pivot Retrofits	37.100	WS002	19/20-052	500,400	31,872	176,288	176,288
Public Supply Efficiency Improvements	37.100	WS003	19/20-053	1,000,000	50,560	232,975	232,975
Groundwater Recharge Wetlands	37.100	WS004	19/20-054	1,500,000	-	976,808	976,808
Lake Butler Wastewater Treatment Facility - Phase I & II	37.100	WS005	19/20-055	3,400,000	98,000	255,000	255,000
AWS Feasibility Studies	37.100	WP002	20/21-073	700,000	-	-	-
Live Oak Reuse - Septic to Sewer	37.100	WP002	20/21-073	3,240,000	-	-	-
Total Alternative Water Supplies				10,340,400	180,432	1,641,071	1,641,071

(Continued)

SUWANNEE RIVER WATER MANAGEMENT DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (Continued)
For the Fiscal Year Ended September 30, 2021

<u>Program Titles & Grant Numbers</u>	<u>CFDA/CFSA</u>	<u>Award Number</u>	<u>WMD Contract #</u>	<u>Award/Contract Amount</u>	<u>Expenditures Recognized in Prior Years</u>	<u>Expenditures Recognized in Current Year</u>	<u>Transfers to Subrecipients in Current Year</u>
<i>Office of Water Policy and Ecosystem Restoration - Water Quality Enhancement and Accountability</i>							
Expanded and Enhanced Water Quality Monitoring	37.105	AT002	19/20-170	1,700,000	260,725	784,600	784,600
Total Department of Environmental Protections				67,002,022	16,137,412	12,419,375	5,662,764
<i>Department of Transportation</i>							
Mitigation Water Management Districts - Starke Bypass	55.031	N/A		4,065,292	3,945,669	4,160	4,160
Total State Financial Assistance				71,095,314	20,083,081	12,451,322	5,666,923
Total Federal and State Financial Assistance				86,604,455	25,754,476	13,752,233	6,863,339

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, 2021

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
DISTRICT SPECIAL REVENUE FUND
COMBINING BALANCE SHEET – SUB FUNDS
September 30, 2021

	Project Effectiveness Metrics	Agricultural Cost-Share	Water Resource Development Projects	RIVER Cost- Share	Total District Special Revenue Fund
Assets					
Intergovernmental receivables	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	511,797	2,960,652	3,731,955	2,399,487	9,603,891
Total assets	\$ 511,797	\$ 2,960,652	\$ 3,731,955	\$ 2,399,487	\$ 9,603,891
Liabilities					
Accounts payable	\$ 25,803	\$ 82,602	\$ -	\$ 13,784	\$ 122,189
Interest payable	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	25,803	82,602	-	13,784	122,189
Fund balances					
Nonspendable	-	-	-	-	-
Committed	485,994	2,878,050	3,731,956	2,385,702	9,481,702
Restricted	-	-	-	-	-
Total fund balances	485,994	2,878,050	3,731,956	2,385,702	9,481,702
Total liabilities and fund balance	\$ 511,797	\$ 2,960,652	\$ 3,731,956	\$ 2,399,486	\$ 9,603,891

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT
STATE SPECIAL REVENUE FUND
COMBINING BALANCE SHEET – SUB FUNDS
September 30, 2021**

	Alternative Water Supply & WPSP Grants	Middle Suwannee / Mallory Swamp Springs Grant	Springs Grants	Water Management Lands Trust Fund - Springs	Florida Forever & Preservation 2000	DOT - Environmental Transportation Decision Making	DOT - Mitigation	Minimum Flows and Minimum Water Levels	Suwannee River Partnership	Other State Grants	Land Acquisitions - Mitigation	Total State Special Revenue Fund
Assets												
Intergovernmental receivables	\$ 130,067	\$ -	\$ 810,898	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,355	\$ -	\$ 1,016,320
Due from other funds	2,882,091	217,635	-	173,837	66,350	41,918	449,437	1,099,981	757,941	-	7,251,123	12,940,313
Total assets	\$ 3,012,158	\$ 217,635	\$ 810,898	\$ 173,837	\$ 66,350	\$ 41,918	\$ 449,437	\$ 1,099,981	\$ 757,941	\$ 75,355	\$ 7,251,123	\$ 13,956,633
Liabilities												
Accounts payable	\$ 185,067	\$ -	\$ 143,400	\$ -	\$ -	\$ -	\$ 3,594	\$ 308,591	\$ 75,705	\$ 34,766	\$ 7,079	\$ 758,202
Interest payable	-	536	-	-	-	-	-	-	-	-	-	536
Unearned revenue	2,770,191	217,099	-	166,526	-	-	140,631	791,390	-	-	-	4,085,837
Due to other funds	-	-	667,498	-	-	-	-	-	-	40,589	-	708,087
Total liabilities	2,955,258	217,635	810,898	166,526	-	-	144,225	1,099,981	75,705	75,355	7,079	5,552,662
Fund balances												
Nonspendable	-	-	-	-	-	-	-	-	3,506	-	7,705	11,211
Committed	-	-	-	-	-	-	-	-	-	-	-	-
Restricted	56,899	-	-	7,311	66,351	41,918	305,212	-	678,730	-	7,236,339	8,392,760
Total fund balances	-	-	-	7,311	66,351	41,918	305,212	-	682,236	-	7,244,044	8,403,971
Total liabilities and fund balance	\$ 3,012,157	\$ 217,635	\$ 810,898	\$ 173,837	\$ 66,351	\$ 41,918	\$ 449,437	\$ 1,099,981	\$ 757,941	\$ 75,355	\$ 7,251,123	\$ 13,956,633

SUWANNEE RIVER WATER MANAGEMENT DISTRICT
FEDERAL SPECIAL REVENUE FUND
COMBINING BALANCE SHEET – SUB FUNDS
September 30, 2021

	FEMA Risk Mapping Grants	Other Federal Grants	Total Federal Special Revenue Fund
Assets			
Intergovernmental receivables	\$ 118,263	\$ 221,327	\$ 339,590
Due from other funds	-	-	-
Total assets	\$ 118,263	\$ 221,327	\$ 339,590
Liabilities			
Accounts payable	\$ 118,263	\$ 170,516	\$ 288,779
Interest payable	-	-	-
Unearned revenue	-	-	-
Due to other funds	-	50,811	50,811
Total liabilities	118,263	221,327	339,590
Fund balances			
Nonspendable	-	-	-
Committed	-	-	-
Restricted	-	-	-
Total fund balances	-	-	-
Total liabilities and fund balance	\$ 118,263	\$ 221,327	\$ 339,590

SUWANNEE RIVER WATER MANAGEMENT DISTRICT
DISTRICT SPECIAL REVENUE FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – SUB FUNDS
September 30, 2021

	Project Effectiveness Metrics	Agricultural Cost- Share	Water Resource Development Projects	RIVER Cost-Share	Total District Special Revenue Fund
Revenues					
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-
Interest income	-	-	-	-	-
Increase/(decrease) in fair value of investment	-	-	-	-	-
Total revenues	-	-	-	-	-
Expenditures					
General government					
Water resource planning and monitoring	31,218	-	-	-	31,218
Acquisition, restoration and public works	-	691,633	50,370	427,776	1,169,779
Operation, maintenance of lands and works	-	-	-	-	-
Capital outlay	-	-	15,265	-	15,265
Total general government expenditures	31,218	691,633	65,635	427,776	1,216,262
Excess (deficiency) of revenues over (under) expenditures	(31,218)	(691,633)	(65,635)	(427,776)	(1,216,262)
Other financing sources (uses)					
Transfers in	-	-	3,797,591	-	3,797,591
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	3,797,591	-	3,797,591
Net change in fund balance	(31,218)	(691,633)	3,731,956	(427,776)	2,581,329
Fund balance at beginning of year	517,212	3,569,683	-	2,813,478	6,900,373
Fund balance at end of year	\$ 485,994	\$ 2,878,050	\$ 3,731,956	\$ 2,385,702	\$ 9,481,702

SUWANNEE RIVER WATER MANAGEMENT DISTRICT
STATE SPECIAL REVENUE FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – SUB FUNDS
September 30, 2021

	Alternative Water Supply & WSPSP Grants	Middle Suwannee / Mallory Swamp Springs Grant	Water Management Lands Trust Fund - Springs	Florida Forever & Preservation 2000	DOT - Environmental Transportation Decision Making	DOT - Mitigation	Minimum Flows and Minimum Water Levels	Suwannee River Partnership	Other State Grants	Land Acquisitions - Mitigation	Total State Special Revenue Fund
Revenues											
Intergovernmental revenue	\$ 1,641,071	\$ 51,390	\$ 3,185,703	\$ -	\$ -	\$ 4,159	\$ 1,862,910	\$ -	\$ 784,600	\$ -	\$ 7,529,833
Charges for services	-	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	49,372	-	-	-	-	-	-	49,372
Interest income	50,124	-	-	2,375	746	572	6,141	11,206	-	105,041	176,205
Increase/(decrease) in fair value of investment	(77,758)	-	-	(5,020)	(1,916)	(1,211)	(12,980)	(21,889)	-	(209,414)	(330,188)
Total revenues	1,613,437	51,390	3,185,703	(2,645)	48,202	(639)	1,862,910	(10,683)	784,600	(104,373)	7,425,222
Expenditures											
General government											
Water resource planning and monitoring	-	-	-	-	-	-	1,862,910	-	784,599	-	2,647,509
Acquisition, restoration and public works	1,641,071	51,390	2,572,773	-	-	4,159	-	151,410	-	7,079	4,427,882
Operation, maintenance of lands and works	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	612,930	-	-	-	-	-	-	651,926	1,264,856
Total general government expenditures	1,641,071	51,390	3,185,703	-	-	4,159	1,862,910	151,410	784,599	659,005	8,340,247
Excess (deficiency) of revenues over (under) expenditures	(27,634)	-	-	(2,645)	48,202	(639)	(6,839)	(162,093)	1	(763,378)	(915,025)
Other financing sources (uses)											
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Net change in fund balance	(27,634)	-	-	(2,645)	48,202	(639)	(6,839)	(162,093)	1	(763,378)	(915,025)
Fund balance at beginning of year	84,532	-	-	9,957	18,149	42,555	312,050	-	844,330	-	9,318,996
Fund balance at end of year	\$ 56,898	\$ -	\$ -	\$ 7,312	\$ 66,351	\$ 41,916	\$ 305,211	\$ -	\$ 682,237	\$ 1	\$ 7,244,045

SUWANNEE RIVER WATER MANAGEMENT DISTRICT
FEDERAL SPECIAL REVENUE FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – SUB FUNDS
September 30, 2021

	FEMA Risk Mapping Grants	Other Federal Grants	Total Federal Special Revenue Fund
Revenues			
Intergovernmental revenue	\$ 901,308	\$ 389,294	\$ 1,290,602
Charges for services	-	-	-
Interest income	-	-	-
Increase/(decrease) in fair value of investment	-	-	-
Total revenues	901,308	389,294	1,290,602
Expenditures			
General government			
Water resource planning and monitoring	901,308	43,478	944,786
Acquisition, restoration and public works	-	345,816	345,816
Operation, maintenance of lands and works	-	-	-
Capital outlay	-	-	-
Total general government expenditures	901,308	389,294	1,290,602
Excess (deficiency) of revenues over (under) expenditures	-	-	-
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -

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, 2021, 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 February 22, 2022.

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.

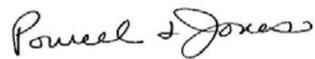
Compliance and Other Matters

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
February 22, 2022

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, 2021. 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, 2021.

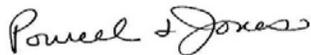
Report on Internal Control Over Compliance

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
February 22, 2022

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, 2021. 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, 2021.

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.

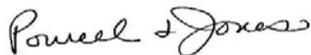
Internal Control Over Compliance

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
February 22, 2022

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT
SCHEDULE OF FINDINGS
For the Fiscal Year Ended September 30, 2021**

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>
15.658	U.S. Department of Interior Natural Resource Damage Assessment
97.045	FEMA 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
For the Fiscal Year Ended September 30, 2021**

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>
37.037	Florida Department of Environmental Protection Water Management District Operations
37.022	Water Management Districts - Land Acquisition and Improvement

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, 2021, 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, 2021, 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.

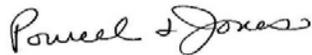
Specific Information as required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the District reported:

- a. The millage rate or rates imposed by the District as 0.3696 mills.
- b. The total amount of ad valorem taxes collected by or on behalf of the District as \$6,192,298.
- c. The total amount of outstanding bonds issued by the District and the terms of such bonds as \$0.

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
February 22, 2022

INDEPENDENT ACCOUNTANT'S REPORT

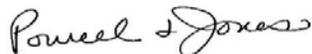
To the Honorable Board of Governors
of the Suwannee River Water Management District:

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, 2021. 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, 2021.

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
February 22, 2022

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, 2021. 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 22, 2022.

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

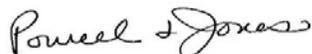
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses 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
February 22, 2022

SUWANNEE RIVER WATER MANAGEMENT DISTRICT

MEMORANDUM

TO: Audit Committee

FROM: Pam Shaw, Chief, Office of Finance

THRU: Tim Alexander, Deputy Executive Director, Business and Community Services

DATE: April 4, 2022

RE: Inspector General Audit Report #22-01, Payroll and Related Human Resources Processes, Acceptance

RECOMMENDATION

Acceptance of the Inspector General Audit Report #22-01, Payroll and Related Human Resources Processes, from Law, Redd, Crona & Munroe, P.A.

BACKGROUND

The Inspector General conducted internal audit procedures to review the District's procedures and internal control over payroll processing and related human resources (HR) processes. The scope of this audit included:

- Obtaining and inspecting the District's documented policies and procedures;
- Discussions with staff;
- Performing tests of selected aspects of the District's general payroll processing, HR recordkeeping, and the processing of employee new hires and terminations.

The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing and generally accepted *Government Auditing Standards*.

The Inspector General's report contains no findings.

PS/rl
Attachment

**SUWANNEE RIVER WATER
MANAGEMENT DISTRICT**

**REPORT ON INTERNAL AUDIT OF
THE DISTRICT'S PAYROLL AND RELATED
HUMAN RESOURCES PROCESSES**

REPORT #22-01

March 3, 2022

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Law, Redd, Crona & Munroe, P.A.
Certified Public Accountants

Governing Board
Suwannee River Water Management District
9225 CR 49
Live Oak, Florida 32060

We have performed internal audit procedures at the Suwannee River Water Management District (District) to review the District's payroll and related human resources (HR) processes.

We conducted this audit in accordance with the International Standards for the Professional Practice of Internal Auditing and generally accepted *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The objective of our audit was to test and evaluate selected District procedures and controls over payroll processing and related HR processes. The accompanying report presents our analysis and is organized as follows:

- Background
- Objectives, Scope, and Methodology
- Observations and Recommendations
- Summary of Results

The procedures we performed were applied to the District's internal controls over the processing of payroll and related HR processes. These procedures were accomplished by:

- Obtaining and inspecting the District's documented policies and procedures;
- Discussions with District staff;
- Performing tests of selected aspects of the District's general payroll processing, HR recordkeeping, and the processing of employee new hires and terminations.

Our procedures were not designed to express an opinion on the overall internal control environment or the internal control and fraud risk associated with the District, and we do not express such an opinion. Additionally, because of inherent limitations associated with internal control systems, errors or fraud may occur and not be prevented or detected by internal controls. Also, projections of any evaluation of the controls to future periods are subject to the risk that procedures may become inadequate because of changed conditions.

This report is intended solely for the information and use of the Governing Board and District management and is not intended to be used by anyone other than these specified parties.

Law Redd Crona & Munroe P.A.

LAW, REDD, CRONA & MUNROE, P.A.
Tallahassee, Florida
March 3, 2022

SUWANNEE RIVER WATER MANAGEMENT DISTRICT
PAYROLL AND RELATED HUMAN RESOURCES PROCESSES
March 3, 2022

BACKGROUND

The District pays its employees on a bi-weekly basis, with each payroll period beginning on a Saturday and ending on a Friday. Employees report their time worked on timesheets directly in AccuFund, the District's financial software, which includes a payroll and employee timekeeping component. Once complete, employee timesheets are reviewed and approved by either their immediate supervisor or, if the supervisor is unavailable, a designee. Timesheets are due on each Monday following the last day of the payroll period.

Payroll is processed by the Accounting Manager on Tuesdays following the end of the payroll period. Once all timesheets have been reviewed and approved, the Accounting Manager prints and reviews a timesheet summary report and detail preliminary payroll register with totals for the pay period. The Accounting Manager reviews the reports for unusual items, such as incomplete hours reported by hourly employees, leave hours in excess of the employee's leave balance, and unusually large payroll check amounts. Unusual activity, if detected, is researched, explained, and documented by the Accounting Manager.

The Chief Financial Officer (CFO) then reviews the payroll reports, initialing and dating the reports to document approval. After the CFO's approval, the Accounting Manager logs on to the First Federal Bank web site and initiates the upload of a payroll direct deposits file to the bank. The upload must be independently approved by the CFO or, in the CFO's absence, the Budget Manager. Only the CFO and the Budget Manager have access permissions on the web site to approve direct deposit uploads.

Separate employee files are maintained for HR related documentation and payroll information. The Human Resources Chief maintains an individual personnel file for each employee that includes, among other things, the original employment application and all supporting new hire documentation, correspondence related to the employee's record, position description, performance evaluations, personnel action forms, Oath of Loyalty, and employment termination checklist. Some of the items are kept electronically in the District's HR software, BambooHR. Original employment eligibility (I-9) forms are kept all together in a separate file from the employee's personnel file as recommended by the United States Citizenship and Immigration Services.

For payroll purposes, the Accounting Manager maintains an individual personnel file for each employee that includes, among other things, the following:

- An original copy of the employee's Form W-4.
- Direct deposit authorization form.

- Personnel action forms (earnings/salary)

Authorization for any other payroll deductions such as AFLAC insurance, deferred compensation (a State of Florida deduction list is received each pay period from the Bureau of Deferred Compensation via secure email), health savings account (HSA) contributions, wage garnishments, and United Way.

Insurance enrollment is completed through an HR Connection website. Once completed, an election summary is printed and signed by the employee authorizing the payroll deductions. Election summaries for each employee are maintained in a separate file by the Accounting Manager.

OBJECTIVES, SCOPE, AND METHODOLOGY

The objective of this audit was to evaluate selected District procedures and controls over the processing of payroll and related human resources (HR) processes based on our risk assessment in those areas. The scope of this audit covers the period January 1, 2021, through December 31, 2021.

To achieve our audit objectives, we conducted the following procedures:

- 1) Made inquiries of District Finance and HR personnel and updated our understanding of the District's payroll process and HR personnel file management.
- 2) Reviewed the District's Policy and Procedures Manual, including Chapter 5, *Employment Procedures*, and Section 19.10, *Payroll and Time Accounting*.
- 3) Observed the initiation and approval of a test payroll direct deposit upload to the bank, noting if the process included a separation of the duties of initiating and approving the upload and if two-factor authentication was required to initiate the direct deposit upload.
- 4) Obtained listings of the following:
 - a. Active District personnel as of 12/31/2021;
 - b. New hires during the period 12/26/2020 through 1/31/2022 and;
 - c. Terminations during the period 12/26/2020 through 1/31/2022.
- 5) Tested District compliance with general payroll and HR attributes on a sample basis. From the 62 active District employees at 12/31/2021, we selected a judgmental sample of 15, along with samples of 5 of 13 new hires and 5 of 14

terminations occurring during the 2021 calendar year, for a total sample of 25. The 5 new hires and 5 terminations were tested for the pay periods corresponding with the dates of their arrivals or departures, respectively. The remaining 15 employees were divided into sets and tested for one of the following selected payroll dates:

- a. January 28, 2021
- b. April 22, 2021
- c. July 15, 2021
- d. October 21, 2021

For each of the 25 employees and selected pay periods included in our sample, we performed the following tests:

- a. Recalculated gross and net pay using the employee's time as reported on their timesheet and their rate of pay from the most recent personnel action form or employment contract included in the employee's personnel file.
- b. Recalculated social security and Federal income tax withholdings based on the Form W-4 in the employee's personnel file and matched the results to the amounts deducted for the pay period.
- c. Reviewed the employee's timesheet and traced the sum of the hours recorded among projects to the hours included in the employee's payment record.
- d. Examined personnel and payroll files for the existence and completeness of the following documentation:
 - i. I-9 form.
 - ii. Direct deposit authorization form.
 - iii. Employee's authorization for other payroll deductions, if any were included in the employee's payroll detail.
 - iv. Chief Financial Officer's (CFO) approval of the final payroll report for the pay period.
 - v. Accounting Manager's initiation and CFO's approval of direct deposit EFTs.

- vi. Signed acknowledgements of receipt and understanding of Whistleblower and Fraud policies and Employee Procedures Manual.
- vii. Signed and notarized Oath of Loyalty.

For each of the 5 newly hired employees included in our sample, we examined the District's records for the following items of documentation:

- a. Original employment application, along with any other supporting new hire documentation.
- b. Completed I-9 form, along with supporting documentation where necessary.
- c. Offer letter with start date.
- d. Completed Form W-4.
- e. Personnel Action Form with wage amount present.
- f. Signed and notarized Oath of Loyalty.
- g. Documentation that a background check was performed.
- h. Signed acknowledgements of receipt and understanding of Whistleblower and Fraud policies and Employee Procedures Manual.
- i. Employee new hire checklists completed and signed.

For each of the 5 newly terminated employees included in our sample, we determined if:

- a. Salary payments ceased in the proper period.
- b. Accumulated leave balance in the District's records as of the termination date was paid with the final payroll disbursement and at the authorized rate of pay.
- c. Employee termination checklists were completed and signed.

SUMMARY OF RESULTS

Our audit procedures described above disclosed no exceptions or errors and the District's records demonstrated compliance with its payroll and HR policies and procedures. Processes were found to be well-documented and, based on our tests, were followed accordingly.

We wish to take this opportunity to thank District staff for their assistance and cooperation in the conduct of our audit. If there are any questions regarding this report, please feel free to contact Richard Law, C.P.A., or Jon Ingram, C.P.A.

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