Melbourne-Tillman Water Control District

Board Agenda

Melbourne-Tillman Water Control District

MEETING OF THE BOARD OF DIRECTORS

TUESDAY, APRIL 27, 2021

9:00 AM

Call to Order Phil Weinberg, President

Pledge of Allegiance Phil Weinberg, President

Roll Call Lisa Blackett

Board Members:

Eric Blount (Brevard County September 30, 2022)
Joseph Hale (Palm Bay September 30, 2022)
Keith Jerdon, (West Melbourne September 30, 2021)
Don Jordan, (Palm Bay September 30, 2023)
Drew Powshok (Brevard County September 30, 2022)
Philip Weinberg, (Palm Bay September 30, 2021)
Jay Woltering (Brevard County September 30, 2022)

Staff & Support:

Debbie Leclair, District Manager
Lisa Blackett, Asst. Mgr. Admin., Secretary/Treasurer
Jim Beadle, Attorney
Leah Cooney, Court Reporter

Recognition of Guests and Support Staff

John Gergen, Assistant Manager/ Operations
Mike McCabe, District Engineer
Debbie Goode, Carr, Riggs & Ingram
Lindsay Aviles, Carr, Riggs & Ingram
Randy Fernatt, Resident
Mike Haridopolos, MJH Consulting (via Zoom)
Angel Burgos, Spectrum Charter Communications
Paul Rymer, Spectrum Charter Communications

Announcements

The District will be accepting employment applications for a Facilities Maintenance Worker due to the termination of an employee.

Melbourne-Tillman Water Control District

MEETING OF THE BOARD OF DIRECTORS

TUESDAY, APRIL 27, 2021

9:00 AM

Public Comments

Presentations

- Debbie Goode, Carr, Riggs & Ingram, will present the District's 2020 Audited Financial Statements (Attachment 1), Comparative Statements (Attachment 2), and the Required Communication Letter (Attachment 3). The printed, bound, copies will be provided at the meeting.
- Mike Haridopolos, MJH Consulting, will update the Board on this years' legislative session and discuss future plans for the District. (via Zoom)
- Randy Fernatt, 2074 Garbett Ave. SW, Palm Bay, right-of-way violation Canal C-14. (Attachment 4)
- Angel Burgos and Paul Rymer of Spectrum Charter Communications, request for parallel use permit for utilities currently located in C-1 right-of-way, between Emerson Dr. and I-95.

Regular Business

- Approval of the February 23, 2021 minutes of the MTWCD Board of Director's Meeting. (Attachment 5)
- Approval of the Operating Statement through March 31, 2021. (Attachment 6)

Budget

- FY 2020/2021 Budget Adjustment request:

  Transfer $170,000.00 from Personnel Expense ($130,000 from Personnel Wages #5129880, $20,000 from Retirement Contributions #5220100, $15,000 from Health & Life Insurance #5230100, and $5,000 from FICA & Medicare #5129880) to Capital Outlay (Machinery & Equipment #5640000), for the purchase of a bulldozer to replace the current 2003 Caterpillar Bulldozer.

- Request approval to auction the Berky Mechanical Trex Duke Dredge on GovDeals with a designated reserve to allow the purchase of a new long-reach excavator.
- Board consideration to continue the previously approved 3% pay adjustment to employees for the Florida Retirement System employee contribution.
- The District's Budget for FY 2021/2022 is presented with two options:

  Option I: Includes no increase and will set the User Fee classifications to the following: (Attachment 7)

Residential	$24.44 per acre or portion thereof
Agricultural	$ 8.50 per acre or portion thereof
Commercial	$47.35 per acre or portion thereof

  Option II: Includes a 1.234% CPI increase excluding the Agricultural classification. The Agricultural classification reached the legislative cap last year. The proposed CPI of 1.234% will set the User Fee classifications to the following: (Attachment 8)

Residential	$24.74 per acre or portion thereof
Agricultural	$ 8.50 per acre or portion thereof
Commercial	$47.93 per acre or portion thereof

Melbourne-Tillman Water Control District

MEETING OF THE BOARD OF DIRECTORS

TUESDAY, APRIL 27, 2021

9:00 AM

Old Business

- Update on Blue Marlin Pool restoration of C-41 right-of-way.
- Manager's Annual Review.

Staff Reports

- Manager's Report, Debbie Leclair
  - Update on the meeting with Palm Bay Building Department.
  - Update on GovDeals.
  - MS-1 Seawall Repair.
- Engineer's Report, Mike McCabe
  - Update on SOIRL
- Assistant Manager, Operations Report, John Gergen
  - Field Operations.
  - Update on MS-1 Annual Maintenance.
- Attorney's Report, Jim Beadle
- Secretary/Treasurer's Report, Lisa Blackett
  - FEMA Update.

Closing

- Meeting Schedule – The next Board Meeting is scheduled for Tuesday, June 22, 2021 at 9:00 am in the City of West Melbourne Council Chambers. The meeting for approval of the District's User Fees for Fiscal Year 2021/2022 is scheduled for Tuesday, August 10, 2021 at 5:30 pm. The location of this meeting has not yet been confirmed.
- Board Member Reports
  - Eric Blount
  - Joe Hale
  - Keith Jerdon
  - Don Jordan
  - Drew Powshok
  - Phillip Weinberg
  - Jay Woltering
- Adjourn

If a Board Member has a request for any agenda item you may raise it at any time or you may let staff know and it will be formally included in the agenda package distributed to the Board prior to each meeting. As usual, staff is available in person, by telephone, or by e-mail to discuss the agenda prior to each and every Board Meeting.

Attachment 1

Melbourne-Tillman
Water Control District

FINANCIAL STATEMENTS

Year Ended September 30, 2020

Melbourne-Tillman Water Control District
Table of Contents
September 30, 2020

INTRODUCTORY SECTION

Title Page 1
Table of Contents 2
Board of Directors 3

FINANCIAL SECTION

Independent Auditors' Report 7
Management's Discussion and Analysis 9

BASIC FINANCIAL STATEMENTS

Statement of Net Position 15
Statement of Revenues, Expenses and Changes in Net Position 16
Statement of Cash Flows 17
Notes to Financial Statements 19

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Proportionate Share of Net Pension Liability – Last Seven Fiscal Years 43
Schedule of Contributions – Last Seven Fiscal Years 44
Schedule of Changes in the District's Total Other Postemployment Benefits Liability and Related Ratios – Last Three Fiscal Years 45

REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS

Independent Auditors' 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 49
Independent Auditors' Management Letter 51
Independent Accountants' Report on Compliance with Local Government Investment Policies 53

Melbourne-Tillman Water Control District
Board of Directors
As of September 30, 2020

President

Joseph N. Hale

Vice President

Drew Powshok

Other Directors

Robert Hinkel

David Isnardi

James C. Tapp, Jr.

Keith Jerdon

Philip Weinberg

THIS PAGE IS INTENTIONALLY LEFT BLANK.

FINANCIAL SECTION

THIS PAGE IS INTENTIONALLY LEFT BLANK.

Carr, Riggs & Ingram, LLC
215 Baytree Drive
Melbourne, Florida 32940

(321) 255-0088
(321) 259-8648 (fax)
www.cricpa.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
Melbourne-Tillman Water Control District

Report on the Financial Statements

We have audited the accompanying financial statements of Melbourne-Tillman Water Control District (the "District"), a dependent special district of Brevard County, Florida, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Melbourne-Tillman Water Control District as of September 30, 2020, and the changes in financial position and cash flows thereof 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 the required supplementary information, as noted in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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 Reporting Required by *Government Auditing Standar*ds

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2021, on our consideration of Melbourne-Tillman Water Control 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 the 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 Melbourne-Tillman Water Control District's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
March 22, 2021

The Melbourne Tillman Water Control District, a dependent special district of Brevard County, operates as an enterprise fund. A discussion of the District's financial performance for the year ending September 30, 2020 can be best understood given a brief background of the District.

History

The Melbourne-Tillman Water Control District is a dependent water control district of Brevard County reorganized in 1986 from its initial authorization as an independent district by the Florida Legislature in 1922. The District contains 100.8 square miles within its boundaries, approximately 64,491 acres. It is located in southern Brevard County and includes portions of the City of Palm Bay and the City of West Melbourne.

The District was initiated in the summer of 1921 through the presentation of a petition to the Circuit Court of Brevard County. This petition was for land reclamation for agricultural development and was signed by the required majority of landowners, by acreage, within the proposed boundaries of the District. After proper legal advertisement, a Decree was issued January 7, 1922 organizing and establishing the Melbourne-Tillman Drainage District under Chapter 6458, Laws of Florida, Acts of 1913. The proposed plan called for a network of canals that would, in conjunction with a western levee separating surface flows from the St. Johns River, divert runoff eastward to Turkey Creek. Construction of the approved canal and levee system began in November of 1922.

Construction of the canals and levee system continued through 1928 when operations ceased due to funding difficulties. Work was estimated to be 85 percent complete and did not include the outfall dam. Throughout the following decades the District persevered and was reorganized in 1986 as a dependent district of Brevard County under Chapter 86-418, Florida Statutes and later codified under its current authorization as Chapter 2001-336, Laws of Florida, as amended by Chapter 2003-334, Chapter 2010-235, and Chapter 2019-175, Laws of Florida.

Today, the District successfully operates and maintains seventy-five canals, totaling over 163 miles, and a major water control structure. The primary canal serving the District, Canal C-1, traverses the District from the western levee, east to the primary water control structure at the outfall to Turkey Creek, a distance of approximately 9 miles.

Legislative Authority

The District operates under the authority of Chapter 2001-336, Laws of Florida, as amended by Chapter 2003-334, Chapter 2010-235, and Chapter 2019-175, Laws of Florida. In 1986, the Florida Legislature "declared and determined … that a special district … would be the most responsive, efficient, and effective local government entity to secure, operate, and maintain an adequate, dependable surface water management system …". The Legislature created and incorporated the Melbourne-Tillman Water Control District as a dependent special district for the purpose of constructing, reconstructing and repairing, maintaining, and operating a surface water management system, previously managed by an independent district of the same name created pursuant to Chapter 298, Florida Statutes.

The District is governed by a seven (7) member Board appointed by the City of Palm Bay (3 members), Brevard County (3 members), and the City of West Melbourne (1 member). The singular qualification is that members must reside within District boundaries for the tenure of their service. The Board of Directors has the power to establish a water management system to prevent damage from flooding, soil erosion, and excessive drainage; to promote the conservation, development, and proper utilization of surface and ground water; to preserve natural resources, fish, and wildlife; maintain water quality; and to preserve and protect natural systems within and surrounding the District.

The Board may authorize the cleaning, straightening, widening or the change of course or flow, alter or deepen any canal, ditch, drain, watercourse or natural stream within the District boundaries. The building and construction of other works and improvements to preserve and maintain the works of the District are also authorized.

Funding

As a dependent district, the Board of Directors adopts a tentative annual operating budget for each fiscal year, to be approved by the Board of County Commissioners as an Enterprise Fund under the County's budget process.

District revenues consist of Operating Revenues (User Fee Charges for Services, Interest Income and Permit Fees) and Non-Operating Revenues (Balance Forward from Reserves for Operating and Capital). The User Fee Charges for Services, a non-ad valorem fee based on the County's assessment of property size and use, represents the largest component of the District's revenues, generally 90 to 95 percent.

Basic Financial Statements: This and Past Fiscal Years

The most recent fiscal year, 2020, concluded with operations within the approved budget limitations; similar to the performance of the previous year, 2019.

Assets

As of September 30, 2020, the District's total assets include cash, investments, inventories, property and equipment. Total assets decreased from $4,296k in 2019 to $4,122k in 2020, due mainly to a decrease in property and equipment. Net cash and investments increased $77k, and property and equipment decreased $248k as a result of depreciation of $366k offset by approximately $118k in asset additions.

Liabilities

As of September 30, 2020, total liabilities of approximately $1,810k include accounts payable, wages and benefits payable, accrued compensated absences, post-employment benefit obligations, and pension liability. Total liabilities increased approximately $367k from 2019 to 2020, due to a decrease of $46k of accounts payable, accrued wages and accrued compensated absences, offset by an increase of $106k in post-employment benefit obligations and an increase of $307k in net pension liability.

Revenues

The District's total operating revenues for 2020 remained relatively the same as 2019, with $2,171k received in revenue compared with $2,281k budgeted in 2020 and $2,110k received in 2019.

Program Expenses

The District's expenses are divided into four areas: wages and benefits; material and supplies; depreciation expense; repairs, maintenance and other expenses.

Wages and benefits cover salaries and benefits for the District's staff of nineteen. These costs increased $110k from 2019 to 2020. Total wages and benefits expenditures in 2020 were $1,690k compared with $1,580k in 2019. The increase in 2020 was due to the annual required adjustments for the Florida Retirement System liability and for the other post-employment benefit obligations liability.

Material and supplies expense decreased from $259k to $239k from 2019 to 2020, and includes primarily aquatic herbicide, parts for in-house repairs, fuels and oils, and tax assessment and collection fees, and transfer expenses. The decrease was primarily due to a decrease in Auto and Equipment Parts and Fuel, Gas & Oils.

Repair and maintenance expenses include primarily vehicle and equipment repair, facility and canal maintenance, repair and supply, and general insurance. Other expenses include communications, utilities, travel, training, professional services and administrative requirements. Total repair, maintenance and other expenses decreased from $319k in 2019 to $278k in 2020. The decrease is mainly due to a decrease in improvements other than buildings, repairs & maintenance services, and repairs & maintenance supplies.

Overall Financial Position

The District's net position decreased by $352k due mostly to a current year increase in benefit costs and due to the current year actuarial adjustment for the Florida Retirement System. As of September 30, 2020, the District has an unrestricted net position of $1,559k and $1,210k invested in capital assets.

The overall financial position of the District is good. No significant change is anticipated.

Significant Capital Assets and Long-Term Debt Activity

The District added capital assets in 2020 through repairs and replacement of aged equipment and addition of new equipment. These assets included the purchase of two 2020 Ram Pickup Trucks ($48,498 replacements), a 2020 Bush Hog 3510R mower ($9,885 replacement), a NorthStar 30 gallon air compressor ($1,999 replacement), transmission cooler, emmissions repair, air shaft kit, solenoid assembly, hydraulic pump, air conditioner repair, and emmissions sensor on 2012 Freightliner Dump Truck ($10,509 repairs), pins and bushings boom repair and fuel injection pump repair on 2011 LinkBelt excavator ($5,673 repairs), PTO repair and replace tire rod end on 2009 Challenger Tractor ($5,220 repairs), replace spindle assembly and bearings on Diamond boom mower ($3,169 repair), repair emissions, exhaust, and oil leak on 2011 Ford F-550 truck ($9,437 repairs), fabricate and rebuild drives and discharge conveyor, floor repair and repair rear conveyor relocate on Berky Harvester ($20,054 repairs), rebuild spray system ($3,677 repairs).

"New" means a piece of equipment not previously inventoried by the District – the actual equipment may be new or used. "Replacement" means a piece of equipment currently inventoried is being replaced. "Repair" means an existing piece of vehicle/equipment underwent significant repair work to keep it functioning.

No additional long-term debt was incurred and current long-term debt is zero ($0).

Description of Currently Known Facts Expected To Have a Significant Effect on Financial Position

The District's user fee structure does not differentiate between developed and undeveloped parcels. Therefore, future growth or lack thereof, is not significant to the District's revenue stream. Growth, as defined by the development of agricultural lands or the build-out of large tracts of undeveloped residential parcels (not platted), can have a minor impact on increased revenues.

Lands identified as such represent approximately 20 percent of the District and could generate an additional 38 percent in revenues.

The St. Johns Heritage Parkway is now complete from Malabar Road to Ellis Road. The parkway goes through undeveloped and agricultural portions of the District that have potential for future growth with some parcels currently in the planning stages for development.

The District retains 20 acres in the western portion of the District. The District has no immediate plans for developing the 20 acres.

Requests for Information

Questions concerning any of the information provided or requests for additional financial information should be addressed to Lisa Blackett, Assistant Manager/Administrative Operations, (321) 723-7233, 5990 Minton Road, Palm Bay, Florida 32907.

MELBOURNE-TILLMAN
WATER CONTROL DISTRICT

Basic Financial Statements

THIS PAGE IS INTENTIONALLY LEFT BLANK.

Melbourne-Tillman Water Control District
Statement of Net Position

September 30,		**2020**
Assets		
Current assets		
Cash and cash equivalents	**$**	**102,180**
Investments, current		**2,069,184**
Inventories		**25,188**
Total current assets		**2,196,552**
Noncurrent assets		
Investments, noncurrent		**714,938**
Capital assets		
Non-depreciable		**281,498**
Depreciable, net		**928,852**
Total noncurrent assets		**1,925,288**
Total assets		**4,121,840**
Deferred Outflows of Resources		
Deferred outflow - other post-employment benefits		**38,845**
Deferred outflow - pension		**473,151**
Total deferred outflows of resources		**511,996**
Liabilities		
Current liabilities		
Accounts payable		**21,065**
Accrued wages payable		**36,575**
Compensated absences		**95,431**
Total current liabilities		**153,071**
Noncurrent liabilities		
Net other post-employment benefit liability		**144,173**
Net pension liability		**1,513,169**
Total noncurrent liabilities		**1,657,342**
Total liabilities		**1,810,413**
Deferred Inflows of Resources		
Deferred inflow - pension		**54,510**
Total deferred inflows of resources		**54,510**
Net Position		
Invested in capital assets		**1,210,350**
Unrestricted		**1,558,563**
Total net position	**$**	**2,768,913**

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

Melbourne-Tillman Water Control District
Statement of Revenues, Expenses and Changes in Net Position

For the year ended September 30,	**2020**
Operating Revenues	
User fees	**$ 2,121,414**
Miscellaneous	**49,580**
Total operating revenues	**2,170,994**
Operating Expenses	
Wages and benefits	**1,690,210**
Material and supplies	**239,137**
Depreciation expense	**366,400**
Repairs, maintenance and other expenses	**278,017**
Total operating expenses	**2,573,764**
Operating Loss	**(402,770)**
Non-operating Revenues	
Interest income	**48,185**
Grant revenue	**2,237**
Total non-operating revenues	**50,422**
Change in Net Position	**(352,348)**
Net position, beginning of year	**3,121,261**
Net position, end of year	**$ 2,768,913**

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

Melbourne-Tillman Water Control District
Statement of Cash Flows

For the year ended September 30,	**2020**
Cash Flows from Operating Activities	
Cash received from users and government agencies	**$ 2,173,344**
Cash paid to suppliers for goods and services	**(532,795)**
Cash paid to employees for services	**(1,495,559)**
Net cash provided by operating activities	**144,990**
Cash Flows from Capital and Related Financing Activities	
Acquisition of capital assets	**(118,123)**
Grant proceeds	**2,237**
Net cash used capital and related financing activities	**(115,886)**
Cash Flows from Investing Activities	
Interest on investments	**1,280**
Proceeds from sale of investments	**825,000**
Purchase of investments	**(1,000,000)**
Net cash used by investing activities	**(173,720)**
Decrease in cash and cash equivalents	**(144,616)**
Cash and cash equivalents, beginning of year	**246,796**
Cash and cash equivalents, end of year	**$ 102,180**

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

For the year ended September 30,		**2020**
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities		
Operating loss	**$**	**(402,770)**
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation		**366,400**
Changes in assets, deferred outflows, liabilities and deferred inflows		
(Increase) decrease in assets and deferred outflows		
Accounts receivable		**2,350**
Inventories		**836**
Deferred outflows - pension		**(69,841)**
Deferred outflows - other post-employment benefits		**(38,845)**
Increase (decrease) in liabilities and deferred inflows		
Accounts payable		**(16,477)**
Net pension liability		**306,645**
Deferred inflow - pension		**(72,631)**
Deferred inflow - other post-employment benefits		**(7,330)**
Net other post-employment benefit liability		**106,220**
Accrued wages payable		**(29,567)**
Total adjustments		**547,760**
Net cash provided by operating activities	**$**	**144,990**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Melbourne-Tillman Water Control District (the "District"), a dependent special district of Brevard County, Florida as defined under Sections 165.031(5) and 200.001(8)(d), Florida Statutes, was restructured October 1, 1986 by Chapter 86-418, Special Acts of Florida, from an independent district to a dependent district, to continue to provide a surface water management system by means of dikes and canals for 62,000 acres of land in South Brevard County. The District was originally organized and established by decree of the Circuit Court of Brevard County on January 7, 1922 as the Melbourne-Tillman Drainage District under Chapter 6458, Laws of Florida, Acts of 1913.

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

Reporting Entity

The Melbourne-Tillman Water Control District, a dependent special district of Brevard County, is governed by a seven member Board of Directors comprised of three members appointed by the Brevard County Board of Commissioners, three members appointed by the City of Palm Bay and one member appointed by the City of West Melbourne. Melbourne-Tillman Water Control District does not meet the fiscal dependency and financial benefit or burden criteria and the County has determined that it would not be misleading to exclude the District from its reporting entity; therefore it is not included in the County's financial statements. The District remains a dependent special district of the County because the County approves the user fees.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The proprietary funds are reported using the *economic resource measurement* focus and the *accrual basis of accounting.*

The District uses the proprietary fund basis of presentation for its financial statements. The focus of proprietary fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles are those applicable to similar businesses in the private sector. These funds are maintained on the accrual basis of accounting. The following is a description of the sole proprietary fund of the District.

Enterprise Fund - The District operates as an enterprise fund that accounts for the construction, operation and maintenance of the District.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

This fund is used to account for the acquisition, operation and maintenance of District facilities and services that are entirely or predominantly self-supported by user fees. The operations of enterprise funds are accounted for in such a manner as to show a profit or loss similar to comparable private enterprises.

Basis of accounting refers to the point at which revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Proprietary funds are accounted for using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when incurred.

Operating revenues and expenses are distinguished from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the enterprise fund is user fees charged to customers for services. Operating expenses include the cost of services, which mainly consists of wages, benefits, and materials, as well as administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Budgetary Information

Budgetary basis of accounting

The budgetary policy for the Board of Directors of the District involves establishing an annual operating expense budget. A tentative annual operating expense budget is to be adopted prior to July 1 of each year, and approved by the Brevard County Board of County Commissioners. Brevard County Board of County Commissioners action is required for the approval of a supplemental or amended budget.

Budgetary control is maintained at the line item level. The budget is prepared on an accrual basis of accounting, which is consistent with generally accepted accounting principles. All appropriations that are not expensed or committed lapse at year end.

Actual results of operations presented in accordance with generally accepted accounting principles (GAAP basis) and the District's accounting policies do not recognize encumbrances as expenditures until the period in which the actual goods or services are received and a liability is incurred. It is necessary to include budgetary encumbrances to reflect actual revenues and expenditures on a basis consistent with the District's legally adopted budget.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position

Cash and cash equivalents

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.

Investments

The investing of public funds with the State Board of Administration ("Florida Prime") is governed by Section 218.407, Florida Statutes. The investments with the State Board of Administration and Florida Counties Investment Trust consist largely of Federal Agency Obligations, Certificates of Deposit, Repurchase Agreements, Bankers Acceptance and Commercial Paper.

The District's investment in the Florida Prime is reported at amortized cost. The fair value of the District's position in the pool is equal to the value of pooled shares. As of September 30, 2020, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

The District also invests in certificates of deposit held by a bank, which are held to maturity and are nonparticipating interest-earning investment contracts. These certificates of deposit are valued at cost plus accrued interest per GASBC I50: Investments.

Inventories

Inventories are valued at the lower of cost (first-in, first-out) or market method. Inventories consist of herbicides and supplies held for use in maintaining the canals.

Capital assets

Capital assets, which include property, plant, and equipment are valued at historical cost or at fair market value for those assets contributed. Capital assets are defined by the District as assets with an initial, individual cost of more than $750 and an estimated useful life in excess of two years.

Land and rights of way are not depreciated. The other property, plant, equipment are depreciated using the straight line method over the following estimated useful lives:

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position (Continued)

Capital assets (Continued)

Depreciation of the District's exhaustible fixed assets is charged as an expense against their operations and is closed to net position. Accumulated depreciation is reported on the District's statement of net position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Capital assets	Lives
Buildings	25 years
Improvements other than buildings	5-25 years
Equipments	5-7 years

Deferred Outflows/ Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

The District has two (2) items that qualify for reporting as deferred outflows of resources, the *deferred outflows related to pensions and* the deferred outflows related to *other post-employment benefits,* both reported on the statement of net position. The deferred outflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria.* The deferred outflows related to pensions will be recognized as either pension expense or a reduction in the net pension liability in future reporting years. The deferred outflows related to other post-employment benefits are an aggregate of items related to other post-employment benefits as calculated in accordance with GASB Codification Section P52: *Other Post-employment Benefits.* The deferred outflows related to other post-employment benefits will be recognized as either benefits expense or a reduction in the net other post-employment benefits liability in future reporting years.

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 City has one (1) item that qualifies for reporting as deferred inflows of resources. The deferred inflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*.

The deferred inflows related to pensions will be recognized as a reduction to pension expense in future reporting years.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

All regular full-time employees of the District are eligible for annual leave. Each employee working a normal week earns vacation leave at certain rates depending on the employee's length of service. All annual leave is accrued when earned in the statement of net position.

Sick leave is accumulated at a rate of 8 hours per month with less than 10 years of service, and at a rate of 12 hours per month with greater than 10 years of service. Sick leave may be accumulated up to 960 hours. Employees may trade earned sick leave for vacation leave or for payment up to a total of 320 hours annually. Employees who resign in good standing will be paid for half of any unused sick leave up to a maximum of 480 hours.

Defined Benefit Pension Plans

The District participates in cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State, the Florida Retirement System. For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plan's fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The District's employer contributions are recognized when due, and the District has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plan.

Other Post-employment Benefits (OPEB) Liability

The District participates in a single employer, defined benefit, other post-employment plan. The District does not have a trust for the plan, and there is no actuarial determined contribution. The OPEB liability is determined in accordance with GASBC P52: Other Post-employment Benefits.

Revenues

The District is permitted by state law to levy user fees. The user fees assessed are computed by the designation of land classification to parcels of land, based on three different classifications of land use, multiplied by a specified billing rate. The billing rate used has been determined by the Board of Directors and approved by the Brevard County Commission.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

User fee assessment and collection have been consolidated with Brevard County. A service fee is paid to the County for a proportionate share of the tax roll cost. The County tax collector periodically remits collections and sends invoices monthly for the collection fees. Brevard County's assessments calendar is as follows:

Lien date	-	January 1
Levy date	-	Prior to September 30
Due date	-	November 1
Delinquent date	-	April 1

All property taxes, user fees and non-ad valorem assessments considered a part of the County tax for enforcement and collection purposes remaining unpaid at May 30 are subject to a tax certificate sale by the Tax Collector.

The District also recognizes revenue from the issuance of permits, interest earnings on investments, charges for services and other miscellaneous sources.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 22, 2021.

Recently Issued and Implemented Accounting Pronouncements

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

GASB Statement No. 84, Fiduciary Activities ("GASB 84"), seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those

Activities should be reported. GASB 84 will be effective for the fiscal years beginning after December 15, 2019.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

In June 2017, the GASB issued Statement No. 87, Leases. 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 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 receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

In June 2018, the GASB issued Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

The District is evaluating the requirements of the above statements and the impact on reporting.

Note 2: DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS

Deposits and Investments

At September 30, 2020, the District's carrying amount of cash deposits was $101,980 and the bank balance was $138,074. In addition, the District reported petty cash of $200. As of September 30, 2020, the District maintains cash balances at several banks that are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. Monies invested in amounts greater than the insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the District pursuant to Section 280.08, Florida Statutes.

Note 2: DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS (Continued)

Deposits and Investments (Continued)

The investment program is established in accordance with the District's investment policy, pertinent bond resolutions and Section 218.415, Florida Statutes, which allows the District to invest in the Florida State Board of Administration intergovernmental investment pool or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, direct obligations of the United States Government, obligations of the different agencies of the Federal Government, registered money market funds and accounts of state qualified public depositories.

The investing of public funds with the Florida State Board of Administration (SBA) - Local Government Surplus Funds Trust Fund is governed by Section 218.407, Florida Statutes. The SBA is under regulatory oversight of the State of Florida. The investment pool consists largely of corporate notes and commercial paper. On September 30, 2020, the District had $2,069,184 invested. The fair value of the District's position in the pool is equal to the value of the pooled shares or net asset value.

At September 30, 2020, the District had the following investments:

		Investment Maturities (in years)					
Investment type	Cost Plus Accrued Interest	Less than 1	1 - 5	6 - 10	More than 10	Rating	Agency
Certificates of Deposit	$ 714,938	$ -	$ -	$ 714,938	$ -	NR	
Total	$ 714,938	$ -	$ -	$ 714,938	$ -		

The Florida Prime investments in external pools, though measured at fair value, are not categorized within the fair value hierarchy. The District had $2,069,184 in investments in the SBA Florida Prime at September 30, 2020.

Custodial credit risk – Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. The financial institutions in which the District places its deposits are certified as "qualified public depositories," as required under the Florida Security for Public Deposits Act. For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Note 2: DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS (Continued)

Deposits and Investments (Continued)

As of September 30, 2020, the District's pension investments are held in street name in the form of stock, debt securities and U.S. government bonds through a financial brokerage firm and are segregated out from the assets and investments held by other clients of the investment firm and their own assets.

Interest rate risk – Interest rate risk is the possibility that interest rates will rise and reduce the fair value of an investment. The District's investment policy limits interest rate risk by requiring that an attempt be made to match investment maturities with known cash needs and anticipated cash flow requirements. In addition, investments of current operating funds are required to have maturities of no longer than twelve months. A portfolio's WAL is the dollar weighted average length of time until securities held reach maturity. A portfolio's WAM is the dollar weighted average maturity. The WAL of the Florida Prime was 63 days and the WAM was 48 days at September 30, 2020.

Credit risk – Section I50: Investments of the GASB Codification requires that governments provide information about credit risk associated with their investments by disclosing the credit rating of investments in debt securities as described by nationally recognized statistical rating organizations. The District's investment policy limits investments to securities with specific ranking criteria.

Concentration risk – Section I50: Investments of the GASB Codification requires disclosures of investments in any one issuer that represents five percent or more of total investments, excluding investments issued or explicitly guaranteed by the U.S government, investments in mutual funds, external investments pools and other pooled investments. The District's investment policy does not address concentration risk.

Note 2: DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS (Continued)

Capital Assets

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

Business-type activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 277,820	$ -	$ -	$ 277,820
Rights-of-way	1	-	-	1
Construction in progress	-	3,677	-	3,677
Total capital assets, not being depreciated	277,821	3,677	-	281,498
Capital assets, being depreciated:				
Buildings	399,629	-	-	399,629
Improvements other than buildings				
Outfalls	7,043,643	-	-	7,043,643
Water control structure	1,105,535	-	-	1,105,535
Site plan improvements	494,676	-	-	494,676
Equipment				
Vehicles and heavy equipment	3,748,208	112,447	-	3,860,655
Small equipment	70,982	1,999	(2,035)	70,946
Office furniture and fixtures	51,852	-	-	51,852
Total capital assets being depreciated	12,914,525	114,446	(2,035)	13,026,936
Less accumulated depreciation for:				
Buildings	(311,043)	(13,216)	-	(324,259)
Improvements other than buildings				
Outfalls	(7,042,007)	(1,534)	-	(7,043,541)
Water control structure	(1,103,936)	(1,599)	-	(1,105,535)
Site plan improvements	(372,926)	(40,230)	-	(413,156)
Equipment				
Vehicles and heavy equipment	(2,803,986)	(301,638)	-	(3,105,624)
Small equipment	(53,928)	(5,833)	2,035	(57,726)
Office furniture and fixtures	(45,893)	(2,350)	-	(48,243)
Total accumulated depreciation	(11,733,719)	(366,400)	2,035	(12,098,084)
Total capital assets being depreciated, net	1,180,806	(251,954)	-	928,852
Business-type activities capital assets, net	$ 1,458,627	$ (248,277)	$ -	$ 1,210,350

Note 2: DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS (Continued)

Capital Assets (Continued)

Depreciation expense for the year ended September 30, 2020 was $366,400.

The rights-of-way consist of canals and rights of access to the canals acquired by the District at the inception of the District. Due to the uncertainty of the fair market value, management determined all the rights-of-way were recorded at a nominal value of $1 in total, as of inception of the District.

Operating Leases

The District leases office equipment under a 60 month non-cancellable operating lease that began on October 10, 2018 for $118 per month. The following schedule represents minimum future expense related to this lease.

Year ending September 30,		
2021	$	1,416
2022		1,416
2023		1,416
Total minimum future lease expense	$	4,248

Lease expense for the year ended September 30, 2020 was $1,416.

Compensated Absences

Following is a summary of changes in compensated absences for the year ended September 30, 2020.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	$ 130,871	$ 80,972	$ (116,412)	$ 95,431	$ 95,431

Note 3: RETIREMENT PLAN

Defined Benefit Plan

The District participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

Note 3: RETIREMENT PLAN (Continued)

Defined Benefit Plan (Continued)

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

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

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by $5. The minimum payment is $30 and the maximum payment is $150 per month, pursuant to Section 112.363, Florida Statutes.

Contributions

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS Pension Plan. The employer's contribution rates as of September 30, 2020, were as follows:

Note 3: RETIREMENT PLAN (Continued)

Defined Benefit Plan (Continued)

	FRS	HIS
Regular class	8.34%	1.66%
Special risk class	22.79%	1.66%
Senior management service class	25.63%	1.66%
Elected officials	47.53%	1.66%
DROP from FRS	15.32%	1.66%

The employer's contributions for the year ended September 30, 2020 were $95,347 to the FRS Pension Plan and $16,677 to the HIS Program.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2020, the District reported a liability for its proportionate share of the net pension liability of the FRS Pension Plan and its proportionate share of the net pension liability of the HIS Program. The net pension liabilities were measured as of June 30, 2020. The District's proportions of the net pension liabilities were based on its share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net pension liability	$ 1,159,891	$ 353,278
Proportion at:		
Current measurement date	0.002676168%	0.002893388%
Prior measurement date	0.002595425%	0.002794672%
Pension expense	$ 247,242	$ 26,027

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Note 3: RETIREMENT PLAN (Continued)

Defined Benefit Plan (Continued)

	FRS		HIS	
	Deferred Outlfows of Resources	Deferred Inflows of Resources	Deferred Outlfows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 44,391	$ -	$ 14,451	$ (273)
Changes in assumptions	209,977	-	37,987	(20,542)
Net difference between projected and actual earnings on pension plan investments	69,061	-	282	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	48,775	(18,753)	16,421	(14,942)
Employer contributions subsequent to the measurement date	27,339	-	4,467	-
Total	$ 399,543	$ (18,753)	$ 73,608	$ (35,757)

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2020. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending September 30,	FRS	HIS
2020	$ 74,225	$ 9,348
2021	113,104	7,011
2022	95,432	2,003
2023	56,552	4,340
2024	14,138	6,009
Thereafter	-	4,673
Total	$ 353,451	$ 33,384

Note 3: RETIREMENT PLAN (Continued)

Defined Benefit Plan (Continued)

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was measured as of June 30, 2020. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2020. For the HIS Program, the total pension liability was determined by an actuarial valuation dated July 1, 2020. The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary increases	3.25%	3.25%
Investment rate of return	6.80%	N/A
Discount rate	6.80%	2.21%

Mortality assumptions for the FRS Pension Plan was based on the PUB2010 base table that varies by member category and sex, projected generationally with Scale MP-2018, and mortality assumptions for the HIS Program was based on the Generational RP-2000 with Projection Scale BB.

For both plans, the actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

The following changes in key actuarial assumptions occurred in 2020:

FRS: The long-term expected rate of return and the discount rate used to determine the total pension liability decreased from 6.90% to 6.80%.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 3.50% to 2.21%.

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset allocation.

Note 3: RETIREMENT PLAN (Continued)

Defined Benefit Plan (Continued)

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1.0%	2.2%	2.2%
Fixed income	19.0%	3.0%	2.9%
Global equity	54.2%	8.0%	6.7%
Real estate	10.3%	6.4%	5.8%
Private equity	11.1%	10.8%	8.1%
Strategic investments	4.4%	5.5%	5.3%
Total	100%		

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.80%. FRS' 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 is essentially funded on a pay-as-you-go basis, a municipal bond rate of 2.21% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the employer's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

	FRS			HIS		
	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Employer's proportionate share of the net pension liability	$ 1,852,150	$ 1,159,891	$ 581,712	$ 408,374	$ 353,278	$ 308,182

Pension Plans' Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

Note 3: RETIREMENT PLAN (Continued)

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2020, totaled $5,974.

Note 4: OTHER POST EMPLOYMENT BENEFITS

Plan description

As a dependent District of Brevard County, Florida (the "County"), the District is a member of the County's benefit plan. The Brevard County Board of County Commissioners (the "Board") administers a single employer defined benefit healthcare plan (the "Plan") that provides health care benefits including medical coverage and prescription drug benefits to its employees and their eligible dependents. Pursuant to Section 112.0801 Florida Statutes, the District is required to provide eligible retirees (as defined in the County's pension plan) the opportunity to participate in this Plan at the same cost that is applicable to active employees.

Employees who are active participants in the Plan at the time of retirement and are either age 62 with completion of six years of service or have 30 years of service are eligible to receive benefits. The District's portion of the Plan includes 14 inactive retirees and a total of 20 active participants.

Benefit provisions can only be amended by the Board. On at least an annual basis, and prior to the enrollment process, the Board approves the rates for the coming year for the retiree, employee and County contributions. The Board or District does not issue stand-alone financial statements for this Plan. All financial information related to the Plan is accounted for in the District's basic financial statements.

Note 4: OTHER POST EMPLOYMENT BENEFITS (Continued)

Funding policy

The maximum employer contribution target is 56% of the annual premium cost of the Plan. The annual premium costs are between $7,152 and $11,388 for retirees and spouses under age 65 and between $1,881 and $7,118 for retirees and spouses over age 65. Employees hired prior to January 1, 2006 are eligible to receive 100% of the earned percentage of benefits for their lifetime upon attainment of age 62 and completion of six years of service or upon completing 30 years of service, if earlier. Employees hired on or after January 1, 2006 are eligible to receive a graduated earned percentage of benefits upon retirement based on years of service.

For the year ended September 30, 2020, the portion of contribution attributed to the District is $5,714, which includes both an estimate of the implied subsidy described above and the explicit subsidy paid on behalf of eligible retirees.

Actuarial assumptions and other inputs

The total OPEB liability in the September 30, 2020 actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	1.50 percent
Salary increases	3.50 percent projected annual salary increase
Discount rate	2.14 percent investment rate of return
Healthcare cost trend rates	6.00 percent
Retirees' share of benefit-related costs	44 percent of annual premium cost

The discount rate was based on an index rate for 20-year municipal bond index published by The Bond Buyer.

Mortality rates were based on the Pub-2010 General Headcount-Weighted Mortality, projected using MP-2020.

The actuarial assumptions used in the September 30, 2020 valuation were based on the results of an actuarial experience study for the October 1, 2020 valuation data.

At September 30, 2020 the District reported a Net OPEB liability of $144,173. The GASB 75 information has been provided as of the September 30, 2020 measurement date.

Note 4: OTHER POST EMPLOYMENT BENEFITS (Continued)

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance as of October 1, 2019 for FYE 2019	$ 37,953	$ -	$ 37,953
Changes for the year:			
Service cost	4,051	-	4,051
Interest	1,277	-	1,277
Changes of assumptions	49,463	-	49,463
Difference between expected and actual experience	57,143	-	57,143
Benefit payments	(5,714)	-	(5,714)
Net changes	106,220	-	106,220
Balance as of October 1, 2019 for FYE 2020	$ 144,173	$ -	$ 144,173

The methods, assumptions, and participant data used are detailed in the actuarial valuation report that has a measurement date of September 30, 2020. These calculations are based on the Entry Age Normal cost method required by GASBC P52: Other Post-employment Benefits.

Sensitivity of the OPEB liability

The following table represents the District's total OPEB liability calculated using the discount rate of 2.14%, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.14%) or one percentage point higher (3.14%) than the current rate:

	1% Decrease (1.14%)	Discount Rate (2.14%)	1% Increase (3.14%)
Total OPEB Liability	$ 155,642	$ 144,173	$ 133,913

Note 4: OTHER POST EMPLOYMENT BENEFITS (Continued)

The following table represents the District's total and net OPEB liability calculated using the health care cost trend rate of 6%, as well as what the District's net OPEB liability would be if it were calculated using a health care cost trend rate that is one percentage point lower (5%) or one percentage point higher (7%) than the current rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	$ 133,033	$ 144,173	$ 156,775

OPEB expense and deferred outflows of resources and deferred inflows of resourced related to OPEB

For the fiscal year ended September 30, 2020, the District recognized an OPEB expense of $60,045. In addition the District reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ (5,519)	$ -
Change of assumptions	44,364	-
Total	$ 38,845	$ -

The deferred inflows of resources related to OPEB totals $0 due to the District not having any contributions subsequent to the measurement date, since the measurement date and report date are the same. Other amounts reported as deferred outflows of resources related to the OPEB plan will be recognized in the expense as follows:

Year ending September 30,	
2021	$ 4,115
2022	4,115
2023	4,115
2024	4,115
2025	4,115
Thereafter	18,270
Total	$ 38,845

Note 5: RELATED PARTY TRANSACTIONS

Due to the District's structure and the nature in which Board Members are appointed, the County is considered a related party to the District. During the year ended September 30, 2020, the District paid tax assessment and collection fees to the County of $43,527.

Note 6: RISK MANAGEMENT

The District is exposed to various risks of loss including, but not limited to theft, natural disasters, damage to or destruction of assets, equipment, and monetary assets as well as liability for personal injury, property damage and consequence of public officials. In order to limit this exposure, the District purchases insurance related to property and inland marine coverage, general liability, public officials and employment practices liability, automobile, crime, workers' compensation, pollution liability and common declaration and endorsements to cover heavy equipment. Settled claims have not exceeded the coverage in any of the past three fiscal years and there has not been a reduction in coverage levels for the fiscal year ended September 30, 2020.

Note 7: CONTINGENCIES

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be 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 Company. 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 or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

THIS PAGE IS INTENTIONALLY LEFT BLANK.

REQUIRED SUPPLEMENTARY INFORMATION

THIS PAGE IS INTENTIONALLY LEFT BLANK.

Melbourne-Tillman Water Control District
Schedule of Proportionate Share of Net Pension Liability
Last Seven Fiscal Years

Florida Retirement System (FRS)*

	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	**0.0027%**	0.0026%	0.0024%	0.0024%	0.0027%	0.0025%	0.0026%
District's proportionate share of the net pension liability	**$ 1,159,891**	$ 893,828	$ 724,584	$ 717,706	$ 684,373	$ 327,442	$ 156,994
District's covered payroll	$ 902,650	$ 884,895	$ 775,202	$ 639,294	$ 758,656	$ 769,218	$ 767,263
District's proportionate share of the net pension liability as a percentage of its covered payroll	128.50%	101.01%	93.47%	112.27%	90.21%	42.57%	20.46%
Plan fiduciary net position as a percentage of the total pension liability	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

Health Insurance Subsidy (HIS)*

	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	**0.0029%**	0.0028%	0.0027%	0.0028%	0.0031%	0.0030%	0.0029%
District's proportionate share of the net pension liability	**$ 353,278**	$ 312,696	$ 290,607	$ 297,028	$ 356,596	$ 307,877	$ 266,699
District's covered payroll	$ 902,650	$ 884,895	$ 775,202	$ 639,294	$ 758,656	$ 769,218	$ 767,263
District's proportionate share of the net pension liability as a percentage of its covered payroll	39.14%	35.34%	37.49%	46.46%	47.00%	40.02%	34.76%
Plan fiduciary net position as a percentage of the total pension liability	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

* The amounts presented for each fiscal year were determined as of 6/30.

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the District is presenting information for only the years for which information is available.

Melbourne-Tillman Water Control District
Schedule of Contributions
Last Seven Fiscal Years

Florida Retirement System (FRS)

	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	**$ 95,347**	$ 86,121	$ 71,994	$ 64,704	$ 69,492	$ 61,808	$ 56,361
Contributions in relation to the contractually required contribution	**(95,347)**	(86,121)	(71,994)	(64,704)	(69,492)	(61,808)	(56,361)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 902,496	$ 903,111	$ 830,246	$ 610,069	$ 726,968	$ 769,218	$ 767,263
Contributions as a percentage of covered payroll	10.56%	9.54%	8.67%	10.61%	9.56%	8.04%	7.35%

Health Insurance Subsidy (HIS)

	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	**$ 16,677**	$ 16,043	$ 14,925	$ 14,523	$ 15,432	$ 11,540	$ 9,771
Contributions in relation to the contractually required contribution	**(16,677)**	(16,043)	(14,925)	(14,523)	(15,432)	(11,540)	(9,771)
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 902,496	$ 903,111	$ 830,246	$ 610,069	$ 726,968	$ 769,218	$ 767,263
Contributions as a percentage of covered payroll	1.85%	1.78%	1.80%	2.38%	2.12%	1.50%	1.27%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the District is presenting information for only the years for which information is available.

Melbourne-Tillman Water Control District
Schedule of Changes in the District's Total Other Postemployment Benefits Liability and Related Ratios – Last Three Fiscal Years

	2020	2019	2018
Service cost	**$ 4,051**	$ 3,843	$ 7,250
Interest	**1,277**	1,731	2,636
Difference between expected and actual experience	**57,143**	(8,304)	(33,870)
Changes of assumptions	**49,463**	1,669	(1,948)
Benefit payments	**(5,714)**	(3,630)	(8,101)
Net change in total OPEB liability	**106,220**	(4,691)	(34,033)
Total OPEB liability - beginning	**37,953**	42,644	76,677
Total OPEB liability - ending	**$ 144,173**	$ 37,953	$ 42,644
Covered-employee payroll	**$ 1,077,851**	$ 1,021,337	$ 926,931
Total OPEB liability as a percentage of covered-employee payroll	**13.38%**	3.72%	4.60%

Note 1: Only three years of data are available for other post-employment benefits in accordance with GASBC P52: Other Post-employment Benefits.

THIS PAGE IS INTENTIONALLY LEFT BLANK.

ADDITIONAL ELEMENTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS* AND THE RULES OF THE AUDITOR GENERAL

THIS PAGE IS INTENTIONALLY LEFT BLANK.

Carr, Riggs & Ingram, LLC
215 Baytree Drive
Melbourne, Florida 32940

(321) 255-0088
(321) 259-8648 (fax)
www.cricpa.com

INDEPENDENT AUDITORS' 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 Board of Directors
Melbourne-Tillman Water Control 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 Melbourne-Tillman Water Control District as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise Melbourne-Tillman Water Control District's basic financial statements, and have issued our report thereon dated March 22, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Melbourne-Tillman Water Control District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Melbourne-Tillman Water Control District's internal control. Accordingly, we do not express an opinion on the effectiveness of Melbourne-Tillman Water Control District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 Melbourne-Tillman Water Control District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance 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 result 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.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
March 22, 2021

Carr, Riggs & Ingram, LLC
215 Baytree Drive
Melbourne, Florida 32940

(321) 255-0088
(321) 259-8648 (fax)
www.cricpa.com

INDEPENDENT AUDITORS' MANAGEMENT LETTER

To the Board of Directors
Melbourne-Tillman Water Control District

Report on the Financial Statements

We have audited the financial statements of the Melbourne-Tillman Water Control District, as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated March 22, 2021.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 19, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no findings and recommendations made in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority of the Melbourne-Tillman Water Control District is disclosed in the footnotes. Melbourne-Tillman Water Control District has no component units.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Melbourne-Tillman Water Control District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Melbourne-Tillman Water Control District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Melbourne-Tillman Water Control District. It is management's responsibility to monitor the Melbourne-Tillman Water Control District's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

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

Additional Matters

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

Purpose of this Letter

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

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
March 22, 2021

Carr, Riggs & Ingram, LLC
215 Baytree Drive
Melbourne, Florida 32940

(321) 255-0088
(321) 259-8648 (fax)
www.cricpa.com

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

To the Board of Directors
Melbourne-Tillman Water Control District

We have examined Melbourne-Tillman Water Control District's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2020. Management of Melbourne-Tillman Water Control District is responsible for Melbourne-Tillman Water Control District's compliance with the specified requirements. Our responsibility is to express an opinion on Melbourne-Tillman Water Control District's compliance with the specified requirements based on our examination.

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

Our examination does not provide a legal determination on Melbourne-Tillman Water Control District's compliance with specified requirements.

In our opinion, Melbourne-Tillman Water Control District complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2020.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
March 22, 2021

Attachment 2

Carr, Riggs & Ingram, LLC
215 Baytree Drive
Melbourne, Florida 32940
(321) 255-0088
(321) 259-8648 (fax)
www.cricpa.com

INDEPENDENT AUDITORS' REPORT ON COMPARATIVE INFORMATION

Board of Directors
Melbourne-Tillman Water Control District

We have audited the basic financial statements of Melbourne-Tillman Water Control District, Florida (the "District"), as of September 30, 2020 and 2019 and for the years then ended, and our report thereon dated March 22, 2021, which expressed an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The Comparative Statements of Net Position and the Comparative Statements of Revenue, Expenses and Changes in Net Position are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Comparative Statements of Net Position and Comparative Statements of Revenues, Expenses and Changes in Net Position 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 procures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Comparative Statements of Net Position and Comparative Statements of Revenues, Expenses and Changes in Net Position are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
March 22, 2021

Melbourne-Tillman Water Control District
Comparative Statements of Net Position

September 30,	2020	2019	$ Change	% Change
ASSETS				
Current assets				
Cash and cash equivalents	**$ 102,180**	$ 246,796	$ (144,616)	-58.60%
Investments, current	**2,069,184**	1,866,688	202,496	10.85%
Accounts receivable	**-**	2,350	(2,350)	-100.00%
Inventories	**25,188**	26,024	(836)	-3.21%
Total current assets	**2,196,552**	2,141,858	54,694	2.55%
Noncurrent assets				
Investments, noncurrent	**714,938**	695,529	19,409	2.79%
Property and equipment, at cost less accumulated depreciation	**1,210,350**	1,458,627	(248,277)	-17.02%
Total noncurrent assets	**1,925,288**	2,154,156	(228,868)	-10.62%
Total assets	**4,121,840**	4,296,014	(174,174)	-4.05%
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow - other post-employment benefits	**38,845**	-	38,845	100.00%
Deferred outflow - pension	**473,151**	403,310	69,841	17.32%
Total deferred outflows of resources	**511,996**	403,310	108,686	17.32%
LIABILITIES				
Current liabilities				
Accounts payable	**21,065**	37,542	(16,477)	-43.89%
Accrued wages payable	**36,575**	30,702	5,873	19.13%
Accrued compensated absences	**95,431**	130,871	(35,440)	-27.08%
Total current liabilities	**153,071**	199,115	(46,044)	-23.12%
Noncurrent liabilities				
Net other post-employment benefit liability	**144,173**	37,953	106,220	279.87%
Net pension liability	**1,513,169**	1,206,524	306,645	25.42%
Total noncurrent liabilities	**1,657,342**	1,244,477	412,865	33.18%
Total liabilities	**1,810,413**	1,443,592	366,821	25.41%
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow - other post-employment benefits	**-**	7,330	(7,330)	-100.00%
Deferred inflow - pension	**54,510**	127,141	(72,631)	-57.13%
Total deferred inflows of resources	**54,510**	134,471	(79,961)	-57.13%
NET POSITION				
Invested in capital assets	**1,210,350**	1,458,627	(248,277)	-17.02%
Unrestricted	**1,558,563**	1,662,634	(104,071)	-6.26%
Total net position	**$ 2,768,913**	$ 3,121,261	$ (352,348)	-11.29%

See Independent Auditors' Report on Comparative Information.

Melbourne-Tillman Water Control District
Comparative Statements of Revenues, Expenses and Changes in Net Position

For the years ended September 30,	2020	2019	$ Change	% Change
Operating Revenues				
User fees	**$ 2,121,414**	$ 2,052,167	$ 69,247	3.37%
Miscellaneous	**49,580**	58,005	(8,425)	-14.52%
Total operating revenues	**2,170,994**	2,110,172	60,822	2.88%
Operating Expenses				
Wages and benefits	**1,690,210**	1,579,939	110,271	6.98%
Material and supplies	**239,137**	259,059	(19,922)	-7.69%
Depreciation expense	**366,400**	355,801	10,599	2.98%
Repairs, maintenance and other expenses	**278,017**	319,375	(41,358)	-12.95%
Total operating expenses	**2,573,764**	2,514,174	59,590	2.37%
Operating Loss	**(402,770)**	(404,002)	1,232	-0.30%
Non-operating Revenues				
Interest income	**48,185**	72,874	(24,689)	-33.88%
Grant revenue	**2,237**	86,939	(84,702)	-97.43%
Gain on disposal of fixed assets	**-**	23,374	(23,374)	-100.00%
Total non-operating revenues	**50,422**	183,187	(132,765)	-72.48%
Changes in net position	**(352,348)**	(220,815)	(131,533)	59.57%
Net position, beginning of year	**3,121,261**	3,342,076	(220,815)	-6.61%
Net position, end of year	**$ 2,768,913**	$ 3,121,261	$ (352,348)	-11.29%

See Independent Auditors' Report on Comparative Information.

Attachment 3

Required Communications

Carr, Riggs & Ingram, LLC
215 Baytree Drive
Melbourne, Florida 32940
(321) 255-0088
(321) 259-8648 (fax)
www.cricpa.com

March 22, 2021

To the Board of Directors
Melbourne-Tillman Water Control District, Florida

We are pleased to present the results of our audit of the financial statements of Melbourne-Tillman Water Control District (the "District"), a dependent special District of Brevard County, Florida, for the year ended September 30, 2020.

This report to the Board of Directors summarizes our audit, the reports issued and various analyses and observations related to the District's accounting and reporting. The document also contains the communications required by our professional standards.

Our audit was designed, primarily, to express an opinion on the District's basic financial statements for the year ended September 30, 2020. We considered the District's current and emerging needs, along with an assessment of risks that could materially affect the financial statements, and aligned our audit procedures accordingly. We conducted the audit with the objectivity and independence that you, the Board of Directors, expect. We received the full support and assistance of District personnel.

At Carr, Riggs & Ingram, LLC (CRI), we are continually evaluating the quality of our professionals' work in order to deliver audit services of the highest quality that will meet or exceed your expectations. We encourage you to provide any feedback you believe is appropriate to ensure that we do not overlook a single detail as it relates to the quality of our services.

This report is intended solely for the information and use of the Board of Directors and Management and should not be used by anyone other than these specified parties.

We appreciate this opportunity to work with you. If you have any questions or comments, please contact me at 321.426.3040 or dgoode@cricpa.com.

Very truly yours,

Deborah A. Goode

Deborah A. Goode, CPA
Partner
Carr, Riggs & Ingram, LLC

Accounting Policies, Judgments and Sensitive Estimates & CRI Comments on Quality

As discussed with management during our planning process, our audit plan represented an approach responsive to the assessment of risk for the District. Specifically, we planned and performed our audit to:

- Perform audit services, as required by Section 218.39 of the Florida Statutes, in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards* and Chapter 10.550 of the Rules of the Florida Auditor General, in order to express an opinion on the District's basic financial statements for the year ended September 30, 2020;

- 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;

- Communicate directly with the Board of Directors and management regarding the results of our procedures;

- Address with the Board of Directors and management any accounting and financial reporting issues;

- Anticipate and respond to concerns of the Board of Directors and management; and

- Other audit-related projects as they arise and upon request.

Accounting Policies, Judgments and Sensitive Estimates & CRI Comments on Quality

We have audited the financial statements of Melbourne-Tillman Water Control District, Florida for the year ended September 30, 2020, and have issued our report thereon dated March 22, 2021. Professional standards also require that we communicate to you the following information related to our audit:

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
Auditors' responsibility under Generally Accepted Auditing Standards, *Government Auditing Standards* and Chapter 10.550, Rules of the Florida Auditor General	As stated in our engagement letter dated June 10, 2019, our responsibility, as described by professional standards, is to express an opinion about whether the basic financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (GAAP) and to report on the fairness of supplementary information as described in the engagement letter when considered in relation to the financial statements as a whole. Our audit of the financial statements does not relieve you or management of your responsibilities. As part of our audit, we considered the internal control of the District. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.
Client's responsibility	Management, with oversight from those charged with governance, is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of financial position, results of operations, and cash flows in conformity with the applicable framework. Management, with oversight from those charged with governance, is responsible for the design and implementation of programs and controls to prevent and detect fraud.

Accounting Policies, Judgments and Sensitive Estimates & CRI Comments on Quality

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
Planned scope and timing of the audit	Our initial audit plan was not significantly altered during our fieldwork.
Management judgments and accounting estimates *The process used by management in forming particularly sensitive accounting estimates and the basis for the auditors' conclusion regarding the reasonableness of those estimates.*	Please see the following section titled "*Accounting Policies, Judgments and Sensitive Estimates and CRI Comments on Quality*."
Potential effect on the financial statements of any significant risks and exposures *Major risks and exposures facing the District and how they are disclosed.*	No such risks or exposures were noted.
Significant accounting policies, including critical accounting policies and alternative treatments within generally accepted accounting principles and the auditors' judgment about the quality of accounting principles • *The initial selection of and changes in significant accounting policies or their application; methods used to account for significant unusual transactions; and effect of significant policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.* • *The auditor should also discuss the auditors' judgment about the quality, not just the acceptability, of the Company's accounting policies as applied in its financial reporting. The discussion should include such matters as consistency of accounting policies and their application, and clarity and completeness of the financial statements, including disclosures. Critical accounting policies and practices applied by the Company in its financial statements and our assessment of management's disclosures regarding such policies and practices (including any significant modifications to such disclosures proposed by us but rejected by management), the reasons why certain policies and practices are or are not considered critical, and how current and anticipated future events impact those determinations;* • *Alternative treatments within GAAP for accounting policies and practices related to material items, including recognition, measurement, presentation and disclosure alternatives, that have been discussed with client management during the current audit period, the*	Significant accounting policies are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020. We noted no transactions entered into by the District 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. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were: • The disclosure of pension retirement plans in Note 3 to the financial statements since this represents a future liability to the District. • The disclosure of Post-Employment Benefit Obligations in Note 4 to the financial statements since this represents a future liability to the District. The financial statement disclosures are neutral, consistent, and clear.

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the auditor; Furthermore, if the accounting policy selected by management is not the policy preferred by us, discuss the reasons why management selected that policy, the policy preferred by us, and the reason we preferred the other policy..	
Significant difficulties encountered in the audit *Any significant difficulties, for example, unreasonable logistical constraints or lack of cooperation by management.*	We encountered no significant difficulties in dealing with management in performing and completing our audit.
Disagreements with management *Disagreements, whether or not subsequently resolved, about matters significant to the financial statements or auditors' report. This does not include those that came about based on incomplete facts or preliminary information.*	We are pleased to report that no such disagreements arose during the course of our audit.
Other findings or issues *Matters significant to oversight of the financial reporting practices by those charged with governance. For example, an entity's failure to obtain the necessary type of audit, such as one under Government Auditing Standards, in addition to GAAS.*	None noted.
Matters arising from the audit that were discussed with, or the subject of correspondence with, management *Conditions that might affect risk or discussions regarding accounting practices or application of auditing standards.*	None noted.
Corrected and uncorrected misstatements *All significant audit adjustments arising from the audit, whether or not recorded by the District, that could individually or in the aggregate have a significant effect on the financial statements. We should also inform the Commission about uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented, that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Any internal control deficiencies that could have prevented the misstatements.*	During the course of our audit, we accumulate differences between amounts recorded by the District and amounts that we believe are required to be recorded under GAAP and GASB reporting guidelines. Those adjustments are either recorded (corrected) by the District or passed (uncorrected). There were no adjustments, either corrected or uncorrected, as a result of our audit procedures.

Accounting Policies, Judgments and Sensitive Estimates & CRI Comments on Quality

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
Major issues discussed with management prior to retention *Any major accounting, auditing or reporting issues discussed with management in connection with our initial or recurring retention.*	Discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
Consultations with other accountants *When management has consulted with other accountants about significant accounting or auditing matters.*	To our knowledge, there were no such consultations with other accountants.
Written representations *A description of the written representations the auditor requested (or a copy of the representation letter).*	See "*Draft Management Representation Letter*" section.
Internal control deficiencies *Any significant deficiencies or material weaknesses in the design or operation of internal control that came to the auditors' attention during the audit.*	None.
Fraud and illegal acts *Fraud involving senior management or those responsible for internal controls, or causing a material misstatement of the financial statements, where the auditor determines there is evidence that such fraud may exist. Any illegal acts coming to the auditors' attention involving senior management and any other illegal acts, unless clearly inconsequential.*	We are unaware of any fraud or illegal acts involving management or causing material misstatement of the financial statements.

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
Other information in documents containing audited financial statements *The external auditors' responsibility for information in a document containing audited financial statements, as well as any procedures performed and the results.*	Our responsibility related to documents (including annual reports, websites, etc.) containing the financial statements is to read the other information to consider whether: Such information is materially inconsistent with the financial statements; and We believe such information represents a material misstatement of fact. We have not been provided any such items to date and are unaware of any other documents that contain the audited financial statements.
Required Supplementary Information *The auditors' responsibility for required supplementary information accompanying the financial statements, as well as any procedures performed and the results.*	We applied certain limited procedures to the required supplementary information (RSI) that supplements the financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.
Supplementary Information in relation to the financial statements as a whole *The auditors' responsibility for supplementary information accompanying the financial statements, as well as any procedures performed and the results.*	We made certain inquiries of management and evaluated the form, content, and methods of preparing the Comparative Statements of Net Position and the Comparative Statements of Revenues, Expenses and Changes in Net Position to determine that the information complies with U.S. generally accepted accounting principles, 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 comparative information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Accounting Policies, Judgments and Sensitive Estimates & CRI Comments on Quality

We are required to communicate our judgments about the quality, not just the acceptability, of the District's accounting principles as applied in its financial reporting. We are also required to communicate critical accounting policies and sensitive accounting estimates. 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. The Board of Directors may wish to monitor throughout the year the process used to compute and record these accounting estimates. The table below summarizes our communications regarding these matters.

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Investments	Except as noted below, the District reports their investments at fair value. Certain external investment pools meeting criteria set forth in the accounting standards may be reported at amortized cost. The District follows the provisions of Section I50: *Investments*, of the GASB Codification when reporting investments.	X	The District relies information from investment pool sponsors based on financial market information.	The District's policies are in accordance with all applicable accounting guidelines and GASB.

Accounting Policies, Judgments and Sensitive Estimates & CRI Comments on Quality

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Depreciation of Capital Assets	Based on the audit procedures we performed with respect to the District's capital assets, we noted that the District estimates the useful lives of capital assets in accordance with all applicable standards and guidelines of GASB. The District follows the provisions of Section 1400: *Reporting Capital Assets*, of the GASB Codification when reporting depreciation of its capital assets.	X	Management's estimate of the useful lives of capital assets is based on the historical lives of similar assets and market prices.	We evaluated the key factors and assumptions used to develop the estimated useful lives in determining that they are reasonable in relation to the financial statements taken as a whole.
Compensated Absences	District policy is to permit full-time employees to accumulate earned but unused vacation and sick pay benefits. Full-time employees will only be allowed to carry forward a maximum of 300 hours of vacation and 960 hours of sick from year to year. If an employee resigns in good standing, they are paid half of any unused sick pay. All vacation and half of sick pay is accrued when incurred in the financial statements.	X	Management's estimate of the compensated absences liability is based on compensation rates and employment assumptions developed by management.	We evaluated the key factors and assumptions used to develop the useful lives in determining that they are reasonable in relation to the financial statements taken as a whole.

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Other Post-Employment Benefits (OPEB)	Based on the audit procedures we performed with respect to the District's OPEB Plan, we noted that it appears the District accounts for its OPEB liability and related costs in accordance with all applicable standards and guidelines of GASB. The District follows the provisions of Section P52: *Postemployment Benefits Other Than Pensions – Employer Reporting*, of the GASB Codification when reporting its OPEB liability and related costs.	X	Management's estimate of the other postemployment benefit liability is based on healthcare costs and employment assumptions developed by management. A third party actuary utilized these assumptions to calculate the year-end liability.	The District is following the requirements of GASB 75 and has noted in Note 4, that the liability of the District may vary. We evaluated the key factors and assumptions in determining they are reasonable in relation to the financial statements taken as a whole.

Accounting Policies, Judgments and Sensitive Estimates & CRI Comments on Quality

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Net Pension Liability	Based on the audit procedures we performed with respect to the District's FRS, we noted that the District uses an actuary to determine the pension obligation in accordance with all applicable standards and guidelines of GASB. The District follows the provisions of Section P20: *Reporting Liabilities*, of the GASB Codification when reporting pension liabilities.	X	The estimate of current pension expense and future net pension obligation are based on actuarially determined factors. The actuary estimates certain future conditions in their conclusions. These estimates include factors such as market performance and life expectancy. Actual results may differ from projections.	The District is following the requirements of GASB 68 and has noted in Note 3, that the liability of the District may vary. We evaluated the key factors and assumptions in determining they are reasonable in relation to the financial statements taken as a whole.

March 22, 2021

Carr Riggs & Ingram, LLC
215 Baytree Drive
Melbourne, FL 32940

This representation letter is provided in connection with your audit of the basic financial statements of Melbourne Tillman Water Control District (the "District"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the basic financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of March 22, 2021, the following representations made to you during your audit.

Financial Statements

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 10, 2019, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.

2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and consist of only the one enterprise fund in the financial reporting entity.

3) We acknowledge our responsibility for 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.

4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.

8) We are not aware of any pending or threatened litigation, claims or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims or assessments.

9) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

10) We have provided you with:

    a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.

    b) Additional information that you have requested from us for the purpose of the audit.

    c) Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.

    d) Minutes of the meetings of the District or summaries of actions of recent meetings for which minutes have not yet been prepared.

11) All material transactions have been recorded in the accounting records and are reflected in the financial statements.

12) We have no knowledge of any fraud or suspected fraud that affects the District and involves—

    - Management,
    - Employees who have significant roles in internal control, or
    - Others where the fraud could have a material effect on the financial statements.

13) We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.

14) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

15) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

16) We have disclosed to you the identity of the District's related parties and all the related party relationships and transactions of which we are aware.

Government-specific

17) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

18) The District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.

19) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

20) There were no instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe would or will have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

21) There were no instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe would or will have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

22) There were no instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.

23) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

24) As part of your audit, you assisted with preparation of the financial statements and related notes, preparation of the fixed asset depreciation schedule and preparation of the GASB 68 and GASB 75 entries related to the Florida Retirement System (FRS) and OPEB. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, Debbie Leclair, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes, and for the fixed asset depreciation schedule and the GASB 68 and GASB 75 entries related to the FRS and OPEB.

25) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

26) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

27) There are no component units, majority equity interests in legally separate organizations and joint ventures with an equity interest that would be required to be disclosed in the financial statements.

28) The financial statements properly classify all funds and activities in accordance with GASBS No. 34, as amended.

29) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

30) Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.

31) Provisions for uncollectible receivables have been properly identified and recorded.

32) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.

33) We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

34) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

35) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

36) The District is in compliance with Florida Statute 218.415, *Local Government Investment Policies*, in all respects.

   a) We are responsible for establishing and maintaining effective internal control over compliance.

   b) We have performed an evaluation of the District's compliance with Florida Statute 218.415, *Local Government Investment Policies.*

   c) All relevant matters are reflected in the measurement or evaluation of District's compliance with the specified requirements.

   d) We are responsible for selecting the specified requirements and for determining that the specified requirements are appropriate for our purposes.

   e) We have provided you with all relevant information and access to information and personnel in connection with your examination of compliance with Florida Statute 218.415, *Local Government Investment Policies.*

f) We have disclosed to you all known matters that may contradict District's compliance with the specified requirements and we have disclosed to you all communications from regulatory agencies, internal auditors, other independent accountants or consultants, and others regarding possible noncompliance with Florida Statute 218.415, *Local Government Investment Policies*, including communications received between September 30, 2020 and the date of the examination report.

g) We have responded fully to all inquiries made to us by you during the engagement.

h) Our interpretation of the Florida Statute 218.415, *Local Government Investment Policies*, is as follows: As the District has elected to invest surplus funds in compliance with Section 218.514(17) of the Florida Statutes, the provision of section 218.415(14) requiring a minimum number of hours of completion of continuing professional education does not apply.

Signature: _____ Signature: _____

Title: District Manager Title: Treasurer

Attachment 4

Canal 14 behind 2074 Garbett Ave. SW restoration photos

April 13, 2021

Canal 14 behind 2074 Garbett Ave. SW restoration photos

April 13, 2021

Canal 14 behind 2074 Garbett Ave. SW restoration photos

April 13, 2021

Canal 14 behind 2074 Garbett Ave. SW restoration photos

April 13, 2021

SENDER: *COMPLETE THIS SECTION*

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

RANDY FERNATT
2074 GARBETT AVE SW
PALM BAY, FL 32908

9590 9402 5940 0049 2077 69

Article Number *(Transfer from service label)*

7017 1000 0001 0860 8616

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X [signature] ☐ Agent ☐ Addressee

B. Received by *(Printed Name)* | C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☑ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

ii Restricted Delivery

S Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt

SENDER: *COMPLETE THIS SECTION*

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

SPACE COAST POOLS
ATTN: MARK DOUGLASS
3210 S. FISKE BLVD #104
ROCKLEDGE, FL. 32955

9590 9402 5940 0049 2077 76

2. Article Number (Transfer from service label)

7017 1000 0001 0860 8609

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent
☐ Addressee

B. Received by *(Printed Name)*

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☐ Adult Signature
☐ Adult Signature Restricted Delivery
☑ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Insured Mail
☐ Insured Mail Restricted Delivery (over $500)
☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt

Melbourne-Tillman
Water Control District
5990 Minton Road
Palm Bay, Florida 32907

Refused

ORLANDO FL 328
31 MAR 2021PM 3 L
7017 1000 0001 0860 8609

1029

32955

U.S. POSTAGE
FCM LETTER
MELBOURNE
32904
MAR 31, 21
AMOUNT
$7.
R2305K132

Space Coast Pools
3210 S. Fiske Boulevard #104
Rockledge, FL 32955
ATTN: Mark Douglass

MIXIE 339 DE 1 0004/07/21
RETURN TO SENDER
REFUSED
UNABLE TO FORWARD

32955-43
32907>1977

STATE OF FLORIDA

Melbourne-Tillman Water Control District

March 31, 2021

Randy Fernatt (via certified mail)
2074 Garbett Avenue
Palm Bay, FL 32908

Space Coast Pools (via certified mail)
3210 S. Fiske Boulevard, #104
Rockledge, FL 32955
ATTN: Mark Douglass

RE: Temporary Access of Canal C-14 without a permit for pool construction,
Parcel ID 29-36-24-JP-1539-35; Lot 35, Block 1539, Port Malabar Unit 31.

Dear Mr. Fernatt and Mr. Douglass,

I want to bring to your attention that due to the correspondence with you about the short notice of attending the original Board of Director's meeting on February 23, 2021, this item was tabled to the meeting on April 27, 2021, at 9:00 AM located at the City of West Melbourne Council Chambers, 2285 Minton Road, West Melbourne, Florida.

Below is the information originally provided in the letter sent requesting your presence at the February 23, 2021 meeting.

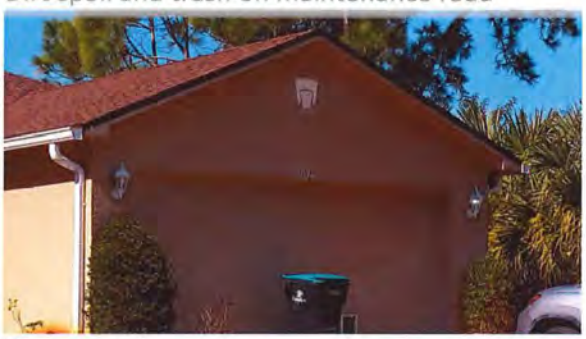
The following photographs indicate what appears to be access of the Melbourne-Tillman Water Control District Canal C-14 without a permit. The photographs were taken January 21, 2021, February 3, 2021, and again on February 11, 2021.

Looking north from Gallash Street and C-14

Fresh concrete washout and dirt on maintenance road

Concrete washout on maintenance road of C-14

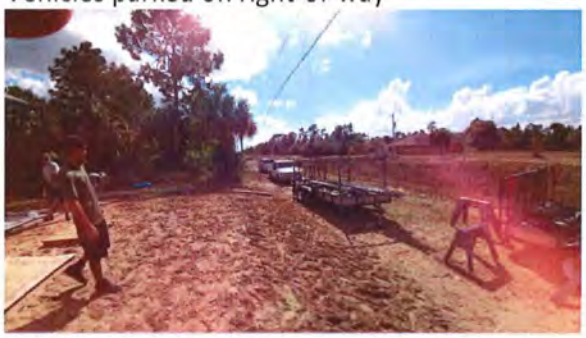
Dirt spoil and trash on maintenance road



Contractor's sign on front lawn

House number

Vehicles parked on right-of-way



Vehicles parked on right-of-way

Vehicles and equipment on maintenance road

Vehicles and structure on maintenance road.

It appears based upon the documented photographs, access from Gallash St. occurred for a distance of seventy five feet (75'), see following figure.

In accordance with the Permit Policy of the Melbourne-Tillman Water Control District, Temporary Access, an application must be submitted for processing the request, with a $250 non-refundable fee, and identify the hardship as to the need to utilize the canal right-of-way for access. Staff reviews application and make recommendation to the Board of Directors for approval or denial. If the Board approves the request, a fee of $30 per linear foot to traverse the right-of-way is required to be submitted prior to final permit approval. Upon completion of the work, an inspection of the right-of-way to determine if restoration is completed to existing conditions is documented and half of the fee, or $15 per linear foot, is returned to the applicant.

Since the access was conducted without a permit and Mr. Fernatt was verbally informed on January 21, 2021 that access was not allowed, and a phone message was left for Space Coast Pools on February 3, 2021 that access to the canal was not allowed, your presence will be required at the upcoming Board of Directors meeting to explain why the canal right-of-way was continually accessed. The Board will make determination as to what actions are required to resolve this violation of policy.

If there are any questions, you can contact me via email at mike@melbournetillman.org or (321) 723-7233.

Sincerely,

Michael E. McCabe, P.E.
District Engineer

Cc: Deborah J. LeClair, District Manager

Attachment 5

MELBOURNE-TILLMAN WATER CONTROL DISTRICT

M I N U T E S

February 23, 2021

CALL TO ORDER

The regular scheduled meeting of the Melbourne-Tillman Water Control District (MTWCD) Board of Directors was called to order by Phil Weinberg, President on Tuesday, February 23, 2021 at 9:10 AM in the City of West Melbourne Council Chambers, Veterans Memorial Complex, 2285 Minton Road, West Melbourne, Florida.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was recited by all present.

ROLL CALL

The following Board Members were present:

Eric Blount
Joe Hale, Board Vice President
Keith Jerdon
Don Jordan
Drew Powshok
Philip Weinberg, Board President
Jay Woltering

Also present:

Debbie Leclair, District Manager
Lisa Blackett, Assistant Manager/ Administration/Secretary/Treasurer
Jim Beadle, District Attorney

RECOGNITION OF GUESTS/VISITORS/STAFF

John Gergen, Assistant Manager/Operations
Mike McCabe, District Engineer
Michael Jackson, Blue Marlin Pools
Michael Trent & Chris Arnault, Intercoastal Pool and Spa
Brian Murphy, Resident 306 Bali Street, Palm Bay, FL

ANNOUNCEMENTS

The Manager announced Elaine Robbins has been hired to fill the Administrative Assistant position. Elaine began her employment on February 10, 2021 and the District is now a full staff with 20 employees.

The Manager announced that the Brevard County Commissioners approved the Save Our Indian River Lagoon Project Plan 2021 at their February 9, 2021 Board of County Commissioners Meeting. She explained that the District's application for Aquatic Harvesting was included in this plan and will move to drafting and execution of the contract.

PRESENTATIONS

Randy Fernatte, resident at 2074 Garbett Avenue, Palm Bay did not appear before the Board as requested via certified mail letter. The District Engineer stated he received an email from a representative of Space Coast Pools that stated the letter to appear was received on February 22, 2021 and did not offer enough notice to properly prepare. The Manager reported the violation notice letter sent via Certified US Mail was accepted on February 16, 2021.

Brian Murphy, resident at 306 Bali Street, Palm Bay addressed the Board stating that he received a Vacate Easement from the District for the purpose of building a pool approximately eight months ago. Mr. Murphy explained all construction activities necessary to build the pool were contained to his property and the District's right of way was not used. Mr. Murphy noted side by side vehicles, dirt bikes and golf carts use the canal right of way. The Board President asked the District Engineer to review the District's position. The District Engineer stated he noticed matted grass on

the right of way in the area behind Mr. Murphy's home where the pool was being built and determined the likelihood the right of way was used for construction purposes based on his observations. Joe Hale noted this was a marginal case at best, considering possible other traffic on the right-of-way. After discussion, the Board President stated no damage to the right of way had occurred, the homeowner denied Legacy Pools accessed the right-of-way for construction of the pool and side-by-sides or other vehicles may have caused the matted grass the District Engineer observed. Joe Hale **motioned** that no permit or penalties be considered. Don Jordan **seconded the motion.** The Board voted 6-0 to **approve the motion.**

Michael Trent of Intercoastal Pool Spa addressed the Board stating that his company did not use the District's right of way to construct a swimming pool at 269 Breckenridge Circle, Palm Bay. Mr. Trent and Chris Arnault of Intercoastal Pool Spa presented photos of the points the company used to access the property. Mr. Trent stated during the construction process, dirt was mistakenly placed on the edge of the right of way. However, once advised, the dirt was immediately removed and the area restored. Mr. Trent stated that at no time were any of Intercoastal Pools Spa's employees on the right of way and the construction area was accessed from the front of the property.

The Board President asked the District Engineer to review what was observed at this location. The District Engineer stated that during routine inspection of the District, he noticed the gates at C-42 and Cogan were open and the lock was cut. Since no District employees were working in the area, the Engineer followed the canal to 269 Breckenridge Circle, Palm Bay where construction activities were ongoing. The District Engineer sent a letter advising Intercoastal Pool Spa they could not access the right of way without a permit. Mr. Trent denied accessing the right of way, had no knowledge the lock on the gates were cut. The District Engineer added he had no additional proof to dispute Mr. Trent's claim and the disturbed land was repaired with the exception of an area that appeared to be a washout with cement materials on the bank. Joe Hale questioned the District Engineer about cement washout causing possible pollution of the canal and asked who cut the lock on the gates, to which District Engineer stated he did not know for sure who cut the lock but suspected it was related to the pool construction and the cement washout needed to be cleaned up. Joe Hale **motioned** that if Mr. Trent cleaned up the washout and sodded the disturbed area to staff's satisfaction, no monetary fine or permit would be required. The Board President asked Mr. Trent if he agreed to the restoration to which he stated he did. Eric Blount **seconded the motion.** The Board voted 6-0 to **approve the motion.**

Michael Jackson Blue Marlin Pools addressed the Board for the second time to further discuss accessing the District right of way without a permit that was continued from the December 8, 2020 Board of Directors' meeting. Mr. Jackson stated the Homeowner, Mr. Kingston elected not to appear before the Board. Mr. Jackson reiterated the District's property in question was not gated or posted no-trespassing every 500 feet as Florida Statutes require. Mr. Jackson reminded the Board he was not aware a permit was necessary and as soon as he was notified otherwise, he complied. Mr. Jackson challenged the District's authority to levy fines under Florida House Bill 201-336. Jim Beadle, District Attorney clarified the bill allows the Board to regulate the District with the permitting policy. The District Attorney added as a company conducts business in a particular area, it is presumed the company will know and follow the laws that regulate the business' activity. Mr. Jackson had a property survey that labeled the Melbourne Tillman right of way, therefore notice was made that another entity owned the area to be accessed and the company is expected to discover issues that affect the use of the property for their business activity. The District Manager added the legislation of HB 201-336 grants the Board of Directors the authority to make policy for the District and the District Staff enforces those policies. Mr. Jackson referred to the Florida Attorney General (FAG) opinion from 2009 that ruled MTWCD has no code enforcement or law enforcement authority. Therefore, Mr. Jackson stated he believed the jurisdiction would transfer from MTWCD to the City of Palm Bay and the City of Palm Bay approved the building plans which included rear access to the property. The District Attorney advised Mr. Jackson he violated a permit issue, not a code or traffic violation as outlined in the 2009 FAG opinion. The District Attorney continued the District regulates itself as allowed under state law as a Special District of the State of Florida, created by the State of Florida Legislature and the City of Palm Bay has no jurisdiction over MTWCD. The Board President added that simply because the District has taken steps to help avoid future violations of its policies does not forgive the fact a violation occurred. Keith Jerdon asked for clarification of Mr. Jackson's concerns. The District Attorney indicated there

were two issues; the first is a permit is necessary for accessing the District's right of way to build a pool and the second is there is a penalty fee the Board has the authority to impose for accessing the right of way without obtaining a permit. Joe Hale asked Mr. Jackson if he had used a District right of way previously to which Mr. Jackson replied he had not. Joe Hale asked the Manager to review the permit fee and penalty fee costs. The District Manager reported District policy is the penalty fee is double the permit fee once the area is restored, which in this case the permit fee would be $1375. The Board President asked Mr. Jackson if he were amenable to restore the disturbed area to staffs' approval in lieu of penalty fees. After discussion, Mr. Jackson agreed. Drew Powshok suggested the Board wait until the restoration work is completed to decide on the permit application status. Joe Hale **motioned** restoration of the area is made to staff direction and the fees is suspended until staff is satisfied with the restoration of the area. Drew Powshok **seconded the motion**. The Board voted 6-0 to **approve the motion**.

REGULAR BUSINESS

Jay Woltering **motioned** to approve the minutes of the December 8, 2020 Board Meeting. Eric Blount **seconded the motion**. The Board voted 6-0 to **approve the motion**.

Joe Hale **motioned** to approve the Operating Statement through January 31, 2021. Jay Woltering **seconded the motion**. The Board voted 6-0 to **approve the motion.**

NEW BUSINESS

The District Manager stated that the District's Permitting Policy is presented with revisions. She advised the revisions include Drew Powshok's recommendation to require any new permitted crossing within the District include installation of gates and fencing to prevent access to the District's right of way. The Manager stated the revisions also include removal of the section of the policy, "Procedures for Permitting Residential Culverts" and the "Temporary Access Permit" is updated to be valid for six months, with an extension if requested by the permittee. Eric Blount **motioned** to approve the permitting policy changes. Jay Woltering **seconded the motion**. The Board voted 6-0 to **approve the motion.**

The Manager stated that the District's Leave Policy P-232 was presented for approval with changes based on the recommendation of Shannon Kelly, labor law attorney for Norton, Allen and Blue in order to comply with Federal Law as a public entity. She stated Ms. Kelly was consulted regarding leave accrual process per pay period, removal of an outdated section regarding worker's comp and a revised maternity leave section of the policy. The Manager stated that the section of the policy addressing Jury Duty was also modified to mirror Brevard County's Jury Duty policy. Jay Woltering **motioned** to accept the Leave Policy P-232 changes. Joe Hale **seconded the motion**. The Board voted 6-0 to **approve the motion**.

OLD BUSINESS

The Manager announced that the Family Medical Leave Act Policy P-235 was presented as a new policy at the December 8, 2020 Board meeting. The policy was created on the recommendation of Shannon Kelly of Norton, Allen and Blue. Ms. Kelly advised the District Manager the lengthy policy offers the most detail and has the least likelihood of having issues upon enforcement. The Manager stated a copy of Brevard County's Family Medical Leave policy (FMLA), as requested at the December 8, 2020 Board meeting, was included in the agenda for comparison. The Manager noted an error in the draft on pages 2-8 the policy number is listed as P-234, which is incorrect but will be corrected to P-235 on the final copy. A correction in the attachment number was noted, the Brevard County FMLA Policy should have been attachment 9 and Mr. Jackson's attachment should have been attachment 10. The Manager apologized for the oversight, but reiterated that the Brevard County Medical Leave policy is not part of the P-235 policy but was included for comparison. Jay Woltering **motioned** to accept as a separate policy pages 1-8 as presented as Policy P-235. Eric Blount **seconded the motion**. The Board voted 6-0 to **approve the motion**.

MANAGER'S REPORT

The Manager announced John Gergen, District Assistant Manager/Operations had been working with GovDeals to sell some of the District's obsolete vehicles and equipment. To date, the Manager announced the District has sold older, unused pickup trucks, a box blade, an auger, a couple of mower decks, and the old spray truck, without the spray unit earning $26, 271 for the

District. The Manager continued there were two items active on GovDeals, a tractor at $7100 and a Komatsu excavator currently at $3000; however those numbers were expected to increase as the auction closed. John Gergen stated there are several smaller items still to be listed with GovDeals. The Manager stated staff has concluded using GovDeals auction has been more successful than taking the items to the Richie Brothers auction since the District doesn't have to take the items to Tampa, the buyer picks up the item at the District's facility, the District doesn't pay a commission on the sale and GovDeals handles all paperwork associated with the sales transaction.

The Manager reported Holmes Regional Medical Center has requested to include the eastern parcel of the hospital on Malabar Road into the District boundaries. The request was made after the District Engineer discovered during a permit review the new addition constructed on the Eastern side of the hospital parcel was not in District boundary. The Board President asked the District Engineer to elaborate on the pros and cons of adding the property to the District. The District Engineer explained the original hospital did not discharge into District at all therefore it was not included in the District. The District Engineer continued during the addition of the Medplex to the hospital, an outfall into C-82 was made. The District Engineer stated in 2006-2008, the eastern expansion of the hospital was constructed without review and was never included in the District. Recently, the hospital applied to the District for a permit to expand the parking lot. The District Engineer continued during the review of those plans, he discovered the expansion of 2006-2008 removed the impervious surface allocation given to the Medplex. The Engineer stated that because C-82 is a floodway with homes near the discharge area the undeveloped portions of the Medplex's discharge will be considered new and must meet the District's .08 cfs discharge requirements for the permit for the expansion of the parking area. Jay Woltering asked if there were any known flood issues with this to which the District Engineer stated none he was aware of. The District Engineer advised he had spoken with the City of Palm Bay Floodplain Manager, who confirmed this was an area to keep an eye on due to the volume of water and how it is staged.

The Manager reported staff is considering submitting a proposal to the Florida Department of Environmental Projects for a cost-reimbursement grant for a Greenwater Infastructure Project. The project would identify areas along C-1 where the District could install Greenwater bio-retention areas to clean the water before it enters the canal. The Manager explained the District Engineer will attend meetings to determine feasibility for the District and the deadline to submit is April 1, 2021. The Board President asked if there was a cost estimate to which the Manager stated not at this time. The District Engineer added the project is reimbursement based, but the District could use the fill dirt taken from the construction of the bio-retention areas to use throughout the District and be reimbursed for the work through the grant. The Manager stated any contracts would be presented to the Board for approval before moving forward. Jay Woltering asked the District Engineer if the retention areas would be a high maintenance item long term to which the District Engineer responded possibly if the bio-retention areas were on the lower bench but those located on high and dry areas would require little maintenance.

The Manager announced that one of the air conditioner units at the District Administrative office needs to be replaced. The office building is comprised of three modular units with each unit having a separate air conditioning unit. The Manager said the air conditioning units are 21 years old and the broken unit will be replaced at a cost of $6,000.00

ENGINEER'S REPORT

The District Engineer updated the Board that the gates of MS-1 were raised with water levels at 10'5" and both of St. John's River Water Management District's (SJRWMD) pumping stations were running properly. The District Engineer announced the annual maintenance plan for MS-1 is scheduled to begin in the middle of March with drawdown of a half a foot per day until Elevation 4' is reached on April 1, 2021. The District staff will perform maintenance operations on MS-1 structure as well as the C-1 canal. Jay Woltering asked if this plan included the removal of the large sandbar upstream of the MS-1 to which the Engineer responded the District plans to remove it, but at the minimum the center channel will be dug out.

The District Engineer provided the Board with a handout from the Minton Road Feasibility Study's final public presentation. The District Engineer stated he supported the lane size reduction to 11' to

reduce the amount of pavement since Minton Road floods easily and the ponds are at capacity. The Engineer will continue to follow updates.

The District Engineer stated Brevard County has done a resiliency study to identify areas that are of concern in the future for sea level rises and climate changes. The District Engineer advised areas such as Minton Road, the MS-1 Structure, C-82 basin and parts of South Palm Bay should be included.

ASSISTANT MANAGER/OPERATIONS REPORT

John Gergen, Assistant Manager/Operations stated the harvester removed 192 loads, equal to 44,352 cubic feet of organic matter containing 4,124 pounds of nitrogen and 931 pounds of phosphorus from District canals. The Assistant Manager/Operations stated the mowing crews are on schedule and are currently in the southwest part of the District in the Compound area, heavy equipment has dug out a huge sandbar used as a beach in the compound area of C-33 where it discharges into C-9R and the aquatic crews were on schedule completing work in the C-37 basin to move to the C-82 basin. The Assistant Manager/Operations added the facilities crew prepared obsolete items for auction, cut pepper trees, performed gate repairs, de-trashed canals and the mechanics have been doing a great job keeping the District's equipment working properly.

ATTORNEY'S REPORT

There was no Attorney Report.

SECRETARY/TREASURER REPORT

The Secretary/Treasurer advised the FEMA project neared completion of the State level review required to get the project funding obligated. The Manager and the Secretary/Treasurer will continue to resolve requests for additional information with the mutual goal to have the project obligated within a week so funding can be released.

CLOSING

The Board President stated that the next Board meeting would be Tuesday, April 27, 2021.

DIRECTOR'S REPORTS

Eric Blount - None

Joe Hale - Thanked District Attorney for his wonderful representation of what the District stands for and what its rights are.

Keith Jerdon - None

Don Jordan - None

Drew Powshok - None

Philip Weinberg - The Board President stated that he and the Manager will be meeting with representatives from the City of Palm Bay and the City of West Melbourne to see if they will hold their permits until time an applicant obtains a District permit. The Board President stated he wanted to add an item to the April 27, 2021 agenda regarding the Manager's annual review.

ADJOURN

Phil Weinberg, President, adjourned the meeting at 10:35 am.

Respectfully,

Lisa Blackett
Secretary
Board of Directors

Attachment 6

MELBOURNE-TILLMAN WATER CONTROL DISTRICT

Operating Statement through March 31, 2021

	Actual $ To Date	FY2021 Approved Budget	Approved Budget Adjustments	FY2021 Modified Budget	Over/Under Budget	Percentage Budget	
Revenue							
User Fees	$ 1,916,277	$ 2,286,305		$ 2,286,305	$ (370,028)	84%	
Permits	$ 64,410	$ 15,000		$ 15,000	$ 49,410	429%	
Miscellaneous Income	$ 79,503	$ 50,000		$ 50,000	$ 29,503	159%	
Revenue	$ 2,060,190	$ 2,351,305		$ 2,351,305	$ (291,115)	88%	
Balance Forward		$ 1,942,412		$ 1,942,412	$ (1,942,412)	0%	
TOTAL INCOME	**$ 2,060,190**	**$ 4,293,717**		**$ 4,293,717**	**$ 2,973,441**	48%	
Expenses							
Salary & Benefits							
Salaries	$ 448,467	$ 1,067,838		$ 1,067,838	$ 619,371	42%	
Health Insurance	$ 121,312	$ 264,583		$ 264,583	$ 143,271	46%	
Retirement	$ 40,801	$ 118,562		$ 118,562	$ 77,761	34%	
FICA/Medicare	$ 32,904	$ 81,690		$ 81,690	$ 48,786	40%	
Workers' Comp	$ 18,959	$ 33,000		$ 33,000	$ 14,041	57%	
SALARY & BENEFITS	$ 662,444	$ 1,565,673		$ 1,565,673	$ 903,229		
Operations							
Professional Services	$ 31,459	$ 58,300		$ 58,300	$ 26,841	54%	*Legal, Drug Testing, Accounting & Court Reporting, Engineering Testing, Misc. Prof Serv.*
Contract Services	$ 3,539	$ 7,500		$ 7,500	$ 3,961	47%	*Uniforms, Garbage Service*
Travel	$ -	$ 2,000		$ 2,000	$ 2,000	0%	*Travel*
Communications	$ 6,629	$ 11,050		$ 11,050	$ 4,421	60%	*Postage, Telephone Service*
Utilities	$ 3,248	$ 7,550		$ 7,550	$ 4,302	43%	*Utility, Solid Waste Assessment*
Rentals	$ 4,474	$ 11,450		$ 11,450	$ 6,976	39%	*Rentals*
Liability Insurance	$ 84,972	$ 84,000		$ 84,000	$ (972)	101%	*Insurance*
Repair & Maintenance	$ 81,138	$ 155,900		$ 155,900	$ 74,762	52%	*Repair & Mnt Serv., Repair & Maintn. Sup, Auto & Equipm Parts, Maintn. Agrmts.*
Current Charges	$ 43,848	$ 48,361		$ 48,361	$ 4,513	91%	*Tax Coll, Bnk Fees.,Pyrl. Exp, Lic & Permits, Advertising, Unemplm*
Office Supplies	$ 2,340	$ 6,000		$ 6,000	$ 3,660	39%	*Office Supplies*
Operating Supplies	$ 82,932	$ 190,000		$ 190,000	$ 107,068	44%	*Operating Supplies, Fuel,Gas & Oil, Aquatics*
Books & Training	$ 2,178	$ 6,650		$ 6,650	$ 4,472	33%	*Books,Pubs.,Memberships, Training Costs*
Restricted Reserves	$ -	$ 1,762,883		$ 1,762,883	$ 1,762,883		*Reserves*
OPERATIONS	$ 346,756	$ 2,351,644		$ 2,351,644	$ 2,004,888	15%	
Capital Outlay							
Improvements Other than Buildings	$ 26,280	$ 75,000		$ 75,000	$ 48,720	35%	
Buildings		$ -					
Machinery	$ 281,875	$ 297,000		$ 297,000	$ 15,125	95%	
Computer Equipment	$ 1,393	$ 1,500		$ 1,500	$ 107	93%	
Computer Software	$ 1,529	$ 2,900		$ 2,900	$ 1,372	53%	
CAPITAL OUTLAY	$ 311,076	$ 376,400		$ 376,400	$ 65,324		
TOTAL EXPENSE	**$ 1,320,276**	**$ 4,293,717**	**$ -**	**$ 4,293,717**	**$ 2,973,441**	31%	

Attachment 7

Melbourne-Tillman Water Control District
2021/2022 Proposed Budget
Option I
No User Fee Increase

		2020-2021		2021-2022	
	Staff Count	20		20	0.00%
5120000	SALARIES	$ 1,067,838	$	1,021,837	-4.31%
5210100	FICA-SOCIAL SECURITY	$ 81,690	$	78,171	-4.31%
5220100	RETIREMENT	$ 118,562	$	121,242	2.26%
5230100	HEALTH & LIFE INSURANCE	$ 264,583	$	265,457	0.33%
5240100	WORKERS COMPENSATION	$ 33,000	$	34,487	4.51%
	Compensation & Benefits	**$ 1,565,673**	**$**	**1,521,193**	-2.84%
	531 Professional Services	$ 37,300	$	38,100	2.14%
	Legal Services	$ *7,200*	$	*8,000*	
	Drug testing	$ *100*	$	*100*	
	Other Professional Services	$ *30,000*	$	*30,000*	
	532 Accounting & Auditing	$ 13,000	$	13,000	0.00%
	Auditing Services	$ *13,000*	$	*13,000*	
	533 Court Reporter Services	$ 8,000	$	6,000	-25.00%
	Court Reporter Services	$ *8,000*	$	*6,000*	
	534 Other Contractual Services	$ 7,500	$	7,720	2.93%
	Uniform Rental	$ *5,200*	$	*5,720*	
	Garbage Service	$ *2,300*	$	*2,000*	
	540 Travel & Per Diem	$ 2,000	$	2,000	0.00%
	Travel	$ *2,000*	$	*2,000*	
	541 Communications & Freight Servives	$ 11,050	$	11,300	2.26%
	Telephone	$ *8,750*	$	*9,000*	
	Postage, Freight	$ *2,300*	$	*2,300*	
	543 Utility Services	$ 7,550	$	7,500	-0.66%
	Water & Electricity	$ *7,000*	$	*7,000*	
	Solid Waste Assessment	$ *550*	$	*500*	
	544 Rentals & Leases	$ 11,450	$	11,000	-3.93%
	Rentals & Leases	$ *11,450*	$	*11,000*	
	545 Insurance	$ 84,000	$	93,469	11.27%
	General Liability	$ *84,000*	$	*93,469*	
	546 Repair & Maintenance Services	$ 155,900	$	155,850	-0.03%
	Repair & Maintenance Services	$ *77,000*	$	*77,000*	
	Repair & Maintenance Supply	$ *24,200*	$	*24,200*	
	Auto & Equipment Parts	$ *49,500*	$	*49,500*	
	Maintenance Agreements	$ *5,200*	$	*5,150*	
	549 Other Current Charge & Obligations	$ 48,362	$	48,134	-0.47%
	Bank Service Fees	$ -	$	-	
	Licenses/Permits	$ *500*	$	*500*	
	Advertising	$ *2,000*	$	*1,500*	
	Tax Collector/Property Appraiser	$ *45,862*	$	*46,134*	
	551 Office Supplies	$ 6,000	$	6,000	0.00%
	Office Supplies	$ *6,000*	$	*6,000*	
	552 Operating Supplies	$ 190,000	$	215,000	13.16%
	Fuel, Gas & Oil	$ *75,000*	$	*100,000*	33.33%
	Aquatic Treatment	$ *100,000*	$	*100,000*	
	Operating Supplies	$ *15,000*	$	*15,000*	
	554 Books, Publications, Subscriptions, Memberships	$ 6,650	$	6,700	0.75%
	Books, Pubs, Subs, Member	$ *3,150*	$	*3,200*	
	Training	$ *3,500*	$	*3,500*	
	Operations Expense	**$ 588,762**	**$**	**621,773**	5.61%
5610001	Capital Outlay - Land		$	-	
5620001	Capital Outlay - Buildings	$ -	$	-	
5630001	Capital Outlay - Improvements other than Buildings	$ 75,000	$	75,000	0.00%
5640001	Capital Outlay - Machinery & Equipment	$ 297,000	$	200,000	-32.66%
	Replace Tractor/slope mower	$ *145,000*	$	*140,000*	Dump Truck
	Replace Road Tractor	$ *100,000*	$	*60,000*	Flat bed truck w/crane
	Replace two pick-up trucks	$ *52,000*			
5640200	Computer Hardware	$ 1,500	$	1,500	0.00%
	Desktop Computer (1 replacements)	$ *1,500*	$	1,500	
5640300	Computer Software	$ 2,900	$	2,500	-13.79%
	Capital Outlay	$ 376,400	$	279,000	-25.88%
5700001	**Debt Service**		$	-	
5990011	**Reserves**	$ 1,762,883	$	1,664,018	-5.61%
	Emergency Reserves	$ *129,602*	$	*6,676*	-94.85%
	Capital Outlay Reserves	$ *129,602*			-100.00%
	Operating Reserves	$ *129,601*			-100.00%
	Pipe & Outfall Reserves	$ *129,601*			-100.00%
	OPEB Reserves	$ *37,953*	$	*144,173*	279.87%
	Net Pension (FRS) Reserves	$ *1,206,524*	$	*1,513,169*	25.42%
	TOTAL PROJECTED EXPENSE	$ 4,293,718	$	4,085,984	-4.84%
3400000	CHARGES FOR SERVICE	$ 2,286,305	$	2,306,708	0.89%
3200000	Licensing & Permits	$ 15,000	$	50,000	233.33%
3600000	Interest	$ 50,000	$	25,000	-50.00%
3013000	Balance Forward - Operating	$ 1,942,412	$	1,704,276	-12.26%
	TOTAL PROJECTED REVENUE	$ 4,293,717	$	4,085,984	-4.84%
	NET	$ -	$	-	

Attachment 8

Melbourne-Tillman Water Control District
2021/2022 Proposed Budget
Option II
1.234% CPI User Fee Increase

		2020-2021		2021-2022	
	Staff Count	20		**20**	0.00%
5120000	SALARIES	$ 1,067,838		**$ 1,021,837**	-4.31%
5210100	FICA-SOCIAL SECURITY	$ 81,690		**$ 78,171**	-4.31%
5220100	RETIREMENT	$ 118,562		**$ 121,242**	2.26%
5230100	HEALTH & LIFE INSURANCE	$ 264,583		**$ 265,457**	0.33%
5240100	WORKERS COMPENSATION	$ 33,000		**$ 34,487**	4.51%
	Compensation & Benefits	**$ 1,565,673**		**$ 1,521,193**	-2.84%
531	**Professional Services**	$ 37,300		**$ 38,100**	2.14%
	Legal Services	$ *7,200*		$ *8,000*	
	Drug testing	$ *100*		$ *100*	
	Other Professional Services	$ *30,000*		$ *30,000*	
532	**Accounting & Auditing**	$ 13,000		**$ 13,000**	0.00%
	Auditing Services	$ *13,000*		$ *13,000*	
533	**Court Reporter Services**	$ 8,000		**$ 6,000**	-25.00%
	Court Reporter Services	$ *8,000*		$ *6,000*	
534	**Other Contractual Services**	$ 7,500		**$ 7,720**	2.93%
	Uniform Rental	$ *5,200*		$ *5,720*	
	Garbage Service	$ *2,300*		$ *2,000*	
540	**Travel & Per Diem**	$ 2,000		**$ 2,000**	0.00%
	Travel	$ *2,000*		$ *2,000*	
541	**Communications & Freight Servives**	$ 11,050		**$ 11,300**	2.26%
	Telephone	$ *8,750*		$ *9,000*	
	Postage, Freight	$ *2,300*		$ *2,300*	
543	**Utility Services**	$ 7,550		**$ 7,500**	-0.66%
	Water & Electricity	$ *7,000*		$ *7,000*	
	Solid Waste Assessment	$ *550*		$ *500*	
544	**Rentals & Leases**	$ 11,450		**$ 11,000**	-3.93%
	Rentals & Leases	$ *11,450*		$ *11,000*	
545	**Insurance**	$ 84,000		**$ 93,469**	11.27%
	General Liability	$ *84,000*		$ *93,469*	
546	**Repair & Maintenance Services**	$ 155,900		**$ 155,850**	-0.03%
	Repair & Maintenance Services	$ *77,000*		$ *77,000*	
	Repair & Maintenance Supply	$ *24,200*		$ *24,200*	
	Auto & Equipment Parts	$ *49,500*		$ *49,500*	
	Maintenance Agreements	$ *5,200*		$ *5,150*	
549	**Other Current Charge & Obligations**	$ 48,362		**$ 48,692**	0.68%
	Bank Service Fees	$ -		$ -	
	Licenses/Permits	$ *500*		$ *500*	
	Advertising	$ *2,000*		$ *1,500*	
	Tax Collector/Property Appraiser	$ *45,862*		$ *46,692*	
551	**Office Supplies**	$ 6,000		**$ 6,000**	0.00%
	Office Supplies	$ *6,000*		$ *6,000*	
552	**Operating Supplies**	$ 190,000		**$ 215,000**	13.16%
	Fuel, Gas & Oil	$ *75,000*		$ *100,000*	33.33%
	Aquatic Treatment	$ *100,000*		$ *100,000*	
	Operating Supplies	$ *15,000*		$ *15,000*	
554	**Books, Publications, Subscriptions, Memberships**	$ 6,650		**$ 6,700**	0.75%
	Books, Pubs, Subs, Member	$ *3,150*		$ *3,200*	
	Training	$ *3,500*		$ *3,500*	
	Operations Expense	**$ 588,762**		**$ 622,331**	5.70%
5610001	Capital Outlay - Land			**$ -**	
5620001	Capital Outlay - Buildings	$ -		**$ -**	
5630001	Capital Outlay - Improvements other than Buildings	$ 75,000		**$ 75,000**	0.00%
5640001	Capital Outlay - Machinery & Equipment	$ 297,000		**$ 200,000**	-32.66%
	Replace Tractor/slope mower	$ *145,000*		$ *140,000*	Dump Truck
	Replace Road Tractor	$ *100,000*		$ *60,000*	Flat bed truck w/
	Replace two pick-up trucks	$ *52,000*			
5640200	Computer Hardware	$ 1,500		**$ 1,500**	0.00%
	Desktop Computer (1 replacements)	$ *1,500*		$ 1,500	
5640300	Computer Software	$ 2,900		**$ 2,500**	-13.79%
	Capital Outlay	$ 376,400		**$ 279,000**	-25.88%
5700001	**Debt Service**			**$ -**	
5990011	**Reserves**	$ 1,762,883		**$ 1,691,359**	-4.06%
	Emergency Reserves	$ *129,602*		$ *34,017*	-73.75%
	Capital Outlay Reserves	$ *129,602*			-100.00%
	Operating Reserves	$ *129,601*			-100.00%
	Pipe & Outfall Reserves	$ *129,601*			-100.00%
	OPEB Reserves	$ *37,953*		$ *144,173*	279.87%
	Net Pension (FRS) Reserves	$ *1,206,524*		$ *1,513,169*	25.42%
	TOTAL PROJECTED EXPENSE	$ 4,293,718		**$ 4,113,883**	-4.19%
3400000	CHARGES FOR SERVICE	$ 2,286,305		**$ 2,334,607**	2.11%
3200000	Licensing & Permits	$ 15,000		**$ 50,000**	233.33%
3600000	Interest	$ 50,000		**$ 25,000**	-50.00%
3013000	Balance Forward - Operating	$ 1,942,412		**$ 1,704,276**	-12.26%
	TOTAL PROJECTED REVENUE	$ 4,293,717		**$ 4,113,883**	-4.19%
	NET	$ -		**$ -**	