

BARRON WATER CONTROL DISTRICT
BASIC FINANCIAL STATEMENTS
TOGETHER WITH REPORTS OF
INDEPENDENT AUDITOR
YEAR ENDED
SEPTEMBER 30, 2009

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American Institute of Certified Public Accountants

Private Companies Practice Section

Tax Division

INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
Barron Water Control District
P.O. Box 1606
LaBelle, Florida 33975-1606

We have audited the accompanying basic financial statements of Barron Water Control District (the "District") as of September 30, 2009 and for the year then ended, as listed in the Table of Contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these basic 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Barron Water Control District as of September 30, 2009, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 7, 2009, on our consideration of Barron Water Control District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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, and should be considered in assessing the results of our audit.

INTEGRITY SERVICE EXPERIENCE

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

Board of Supervisors
Barron Water Control District
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The Management's Discussion and Analysis (MD&A) on pages I-VI is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standard Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the Management's Discussion and Analysis. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the District's basic financial statements. The required supplementary information other than MD&A on pages 33-38 described in the accompanying Table of Contents is presented for the purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. Such information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Tuscan & Company, P.A.

TUSCAN & COMPANY, P.A.
Fort Myers, Florida
December 7, 2009

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

BARRON WATER CONTROL DISTRICT

Management's Discussion and Analysis

For the year ending September, 30, 2009

Management's Discussion and Analysis

This discussion and analysis of the Barron Water Control District (the District) financial statements is intended to give a considered overview of the District's financial activities for the fiscal year ended September 30, 2009. The basic financial statements are comprised of the government-wide financial statements, governmental fund financial statements, and footnotes. It is our intent to assist the reader in identifying and understanding significant changes in the District's financial position.

Financial Highlights

- At the close of fiscal year 2009, the District's assets exceeded its liabilities, resulting in net assets of \$1,944,430.
- The District had \$718,811 of unrestricted net assets that can be used to meet the District's ongoing obligations at September 30, 2009.
- For the year ended September 30, 2009, the District's net assets balance increased by \$152,440.
- Operationally, the District's revenues exceeded expenditures by \$3,133, for the year ended September 30, 2009.
- Total governmental revenues decreased \$5,215 or .5 percent for the year ended September 30, 2009 in comparison to the prior year.
- Total governmental expenditures increased \$71,603 or 5.6 percent for the year ended September 30, 2009 in comparison to the prior year.
- The net book value of the District's capital assets increased by \$301,242 during the year ended September 30, 2009.

Government-wide Financial Statements

Government-wide financial statements (Statement of Net Assets and Statement of Activities found on pages 3 and 4) are intended to allow a reader to assess a government's operational accountability. Operational accountability is defined as the extent to which the government has met its operating objectives efficiently and effectively, using all resources available for that purpose, and whether it can continue to meet its objectives for the foreseeable future. Government-wide financial statements concentrate on the District as a whole and do not emphasize fund types.

The Statement of Net Assets (Page 3) presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. The District's capital assets (property, buildings and equipment) are included in this Statement and reported net of their accumulated depreciation.

The Statement of Activities (Page 4) presents revenue and expense information showing how the District's net assets changed during the fiscal year. Both Statements are measured and reported using the economic resource measurement focus (revenues and expenses) and the accrual basis of accounting (revenue recognized when earned and expense recognized when a liability is incurred).

Governmental Fund Financial Statements

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

Governmental fund financial statements (found on pages 5 and 7) are prepared on the modified accrual basis using the current financial resources measurement focus. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available as net current assets.

Notes to the Financial Statements

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

Government-Wide Financial Analysis

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

The following is a condensed summary comparison of net assets for the primary government for fiscal year 2009, 2008 and 2007:

Summary of Net Assets September 30

	2009 <u>Amounts</u>	2008 <u>Amounts</u>	2007 <u>Amounts</u>
Assets:			
Current and other assets	\$ 839,844	\$ 795,485	\$ 820,553
Capital assets	<u>1,590,892</u>	<u>1,289,650</u>	<u>923,019</u>
Total Assets	<u>\$2,430,736</u>	<u>\$2,085,135</u>	<u>\$1,743,572</u>
Liabilities:			
Current liabilities	\$ 186,313	\$ 100,356	\$ 109,356
Non-current liabilities	<u>299,993</u>	<u>192,789</u>	<u>83,471</u>
Total Liabilities	<u>486,306</u>	<u>293,145</u>	<u>192,827</u>
Net Assets:			
Invested in capital assets, net of related debt	1,201,414	1,052,107	813,164
Restricted	24,205	27,414	65,838
Unrestricted	<u>718,811</u>	<u>712,469</u>	<u>671,743</u>
Total Net Assets	<u>1,944,430</u>	<u>1,791,990</u>	<u>1,550,745</u>
Total Liabilities and Net Assets	<u>\$ 2,430,736</u>	<u>\$2,085,135</u>	<u>\$1,743,572</u>

At September 30, 2009, current and other assets represent 34.6 percent of total assets. Current assets are comprised of unrestricted cash balances of \$477,013, restricted cash of \$56,354 and other assets of \$56,477. The balances of unrestricted cash represent amounts that are available for spending at the District's discretion. Restricted cash balances are for the Interlocal Agreement Fund, Debt Service, and future improvements to Plat Unit One drainage. The District also maintains a Certificate of Deposit in the amount of \$250,000 for emergency reserves.

At September 30, 2009, the capital assets of \$2,000,412 are comprised of land, buildings, improvements, equipment, furniture, and vehicles, and are shown net of accumulated depreciation of \$409,520.

The unrestricted net asset balance at September 30, 2009 of \$718,811 represents an increase of \$6,342 or .9 percent over the prior fiscal year.

In regard to the General Fund operations of the District, the District is divided into four sub-districts, with special assessment levies for each unit based on benefits to that unit. For fiscal year 2009 the maintenance tax levies were \$62.37 per acre Urban, \$24.31 per acre Irrigated Agriculture, \$5.54 per acre Drainage Agriculture, and \$31.19 per acre Urban Grove.

For the year ended September 30, 2009, the District levied an assessment under Florida Statute, Chapter 298.36 of \$1.13 per acre on the irrigated agricultural units and \$.77 per acre on drainage agricultural units to repay the debt and related construction cost of two (2) new weirs. The debt is financed over a ten (10) year period.

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

Comparison Summary of Revenues, Expenses and
Changes in Net Assets for the years ended
September 30

	2009 <u>Amounts</u>	2008 <u>Amounts</u>	2007 <u>Amounts</u>
Revenues:			
Maintenance taxes	\$ 621,188	\$ 670,405	\$ 745,752
Charges for services	409,549	383,014	181,239
Interest	20,918	34,194	35,248
Gain (Loss) on disposition	2,564	(8,257)	(24,256)
Miscellaneous	<u>61,264</u>	<u>30,521</u>	<u>63,058</u>
Total Revenues	<u>1,115,483</u>	<u>1,109,877</u>	<u>1,001,041</u>
Expenditures:			
Administration			
Salaries and benefits	161,078	157,337	185,026
Operating expenses	198,726	154,197	122,823
Depreciation	4,366	4,157	4,308
Interest and fiscal charges	<u>14,810</u>	<u>9,811</u>	<u>8,143</u>
Total Administration	378,980	325,502	320,300
Field Operations			
Salaries and benefits	186,829	204,436	200,273
Operating expenses	239,941	233,502	334,084
Depreciation	<u>71,463</u>	<u>68,507</u>	<u>69,565</u>
Total Field Operations	498,233	506,439	603,922
Canal System Agreement			
Operating expenses	<u>85,830</u>	<u>36,691</u>	<u>75,483</u>
Total Expenses	<u>963,043</u>	<u>868,632</u>	<u>999,705</u>
Increase (decrease) in net assets	152,440	241,245	1,336
Net assets - Beginning	<u>1,791,990</u>	<u>1,550,745</u>	<u>1,549,409</u>
Net assets - Ending	<u>\$1,944,430</u>	<u>\$1,791,990</u>	<u>\$1,550,745</u>

Budgetary Highlights

For the fiscal year ended September 30, 2009, revenues exceeded expenditures by \$3,133. The surplus revenues enable the District to maintain the required emergency reserves necessary for the requirements of the Auditor General.

Field operation expenses decreased slightly over the prior fiscal year due to a vacancy and decrease in operational supplies.

The District had two major capital project programs. A major upgrade to the irrigation pumps to allow pumping at much lower water levels. The project was funded by the District and three other benefitting Districts. The District expanded the maintenance facility and purchased a new loader backhoe. The projects were financed in part with a ten-year bank loan in the amount of \$193,500.

There were six amendments to the General Fund's budget during the fiscal year for matters that were not anticipated or due to the fact that exact numbers were not available at the time of the budget.

Sale of Fixed Assets

The twenty two year old backhoe was used as a trade-in for the new one and was valued at \$7,500. The District also sold at bid, two surplus temporary pumps for \$44,000.

Request for Information

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

Lester B. Baird, Sr., General Manager
863-675-0346

**BARRON WATER CONTROL DISTRICT
STATEMENT OF NET ASSETS
September 30, 2009**

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents - unrestricted	\$ 477,013
Cash and cash equivalents - restricted	56,354
Investments	250,000
Accounts receivable	8,380
Due from other governments	47,492
Deposits	<u>605</u>
Total current assets	<u>839,844</u>
Non-current assets:	
Capital assets:	
Non-depreciable land	1,000,186
Depreciable buildings, equipment and machinery (net of \$409,520 accumulated depreciation)	<u>590,706</u>
Total non-current assets	<u>1,590,892</u>
TOTAL ASSETS	<u>\$ 2,430,736</u>
 LIABILITIES	
Current liabilities:	
Accounts payable	\$ 32,612
Deposits	30,500
Due to other governments	33,716
Current portion of long-term obligations	<u>89,485</u>
Total current liabilities	<u>186,313</u>
Non-current liabilities:	
Non-current portion of long-term obligations	<u>299,993</u>
TOTAL LIABILITIES	<u>486,306</u>
 NET ASSETS	
Investment in capital assets, net of related debt	1,201,414
Restricted for:	
Debt service - Weir	12,736
Plat Unit One	11,469
Unrestricted	<u>718,811</u>
TOTAL NET ASSETS	<u>1,944,430</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 2,430,736</u>

The accompanying notes are an integral part of this statement.

BARRON WATER CONTROL DISTRICT
STATEMENT OF ACTIVITIES
Year Ended September 30, 2009

		<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for</u>	<u>Rent</u>	<u>Interest</u>	<u>Total</u>
		<u>Services, Net</u>	<u>Income</u>	<u>Income</u>	<u>Governmental</u>
					<u>Activities</u>
EXPENSES					
Governmental Activities					
General Government					
Administration					
Personal services	\$ (161,078)				
Operating expenses	(198,726)				
Depreciation	(4,366)				
Interest and fiscal charges	<u>(14,810)</u>				
Total general government	<u>(378,980)</u>	\$ -	\$ 6,600	\$ -	\$ (372,380)
Water Control					
Personal services	(186,829)				
Operating expenses	(239,941)				
Depreciation	<u>(71,463)</u>				
Total water control	<u>(498,233)</u>	-	-	20,918	(477,315)
Canal System Agreement					
Operating expenses	<u>(85,830)</u>				
Total canal system agreement	<u>(85,830)</u>	<u>85,830</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>(963,043)</u>	<u>85,830</u>	<u>6,600</u>	<u>20,918</u>	<u>(849,695)</u>
GENERAL REVENUES					
Maintenance taxes					621,188
Joint trust contributions					36,064
Pump contribution					209,927
Intergovernmental revenue					77,728
Miscellaneous					54,664
Gain on disposition of capital assets					<u>2,564</u>
TOTAL GENERAL REVENUES					<u>1,002,135</u>
INCREASE IN NET ASSETS					152,440
NET ASSETS - Beginning of the year					<u>1,791,990</u>
NET ASSETS - End of the year					<u>\$ 1,944,430</u>

The accompanying notes are an integral part of this statement.

**BARRON WATER CONTROL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2009**

	General Fund	Canal System Interlocal Agreement Fund	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 477,013	\$ -	\$ 477,013
Restricted cash and cash equivalents	24,205	32,149	56,354
Investments - designated	250,000	-	250,000
Accounts receivable	8,380	-	8,380
Due from other funds	2,089	-	2,089
Due from other governments	47,221	271	47,492
Deposits	<u>-</u>	<u>605</u>	<u>605</u>
TOTAL ASSETS	<u>\$ 808,908</u>	<u>\$ 33,025</u>	<u>\$ 841,933</u>
 LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	\$ 32,601	\$ 11	\$ 32,612
Deposits	-	30,500	30,500
Due to other funds	-	2,089	2,089
Due to other governments	<u>33,291</u>	<u>425</u>	<u>33,716</u>
TOTAL LIABILITIES	<u>65,892</u>	<u>33,025</u>	<u>98,917</u>
 FUND BALANCE			
Reserved for:			
Debt service - Weir	12,736	-	12,736
Plat Unit One	11,469	-	11,469
Unreserved, reported in:			
General Fund			
Designated - emergency reserve	250,000	-	250,000
Undesignated	<u>468,811</u>	<u>-</u>	<u>468,811</u>
TOTAL FUND BALANCE	<u>743,016</u>	<u>-</u>	<u>743,016</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 808,908</u>	<u>\$ 33,025</u>	<u>\$ 841,933</u>

The accompanying notes are an integral part of this statement.

BARRON WATER CONTROL DISTRICT
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT
OF NET ASSETS - GOVERNMENTAL FUNDS
September 30, 2009

	<u>Amount</u>
Total fund balance for governmental funds	\$ 743,016
<p>Amounts reported for governmental activities in the Statement of Net Assets are different because:</p>	
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.</p>	
Capital assets not being depreciated:	
Land	<u>1,000,186</u>
	1,000,186
Capital assets being depreciated:	
Building, equipment and machinery	1,000,226
Less accumulated depreciation	<u>(409,520)</u>
	590,706
Elimination of interfund amounts:	
Due to other funds	2,089
Due from other funds	<u>(2,089)</u>
	-
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.</p>	
Note payable	(140,357)
Capital lease payable	(55,621)
Capital improvement loan payable	<u>(193,500)</u>
	<u>(389,478)</u>
Total net assets of governmental activities	<u><u>\$ 1,944,430</u></u>

The accompanying notes are an integral part of this statement.

BARRON WATER CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
Year Ended September 30, 2009

	General Fund	Canal System Interlocal Agreement Fund	Total Governmental Funds
REVENUES			
Maintenance taxes	\$ 621,188	\$ -	\$ 621,188
Joint trust contributions	36,064	-	36,064
Charges for services, net of refunds	-	85,830	85,830
Pump Contribution	209,927	-	209,927
Intergovernmental revenue	77,728	-	77,728
Local grants	-	-	-
Interest	20,918	-	20,918
Labor	16,232	-	16,232
Rent	6,600	-	6,600
Miscellaneous	38,432	-	38,432
TOTAL REVENUES	<u>1,027,089</u>	<u>85,830</u>	<u>1,112,919</u>
EXPENDITURES			
Current			
General government			
Administration			
Personal services	161,078	-	161,078
Operating expenditures	198,726	-	198,726
	<u>359,804</u>	<u>-</u>	<u>359,804</u>
Physical environment			
Field operations			
Personal services	186,829	-	186,829
Operating expenditures	239,941	85,830	325,771
	<u>426,770</u>	<u>85,830</u>	<u>512,600</u>
Capital outlay	430,382	-	430,382
Debt service			
Principal retired	41,565	-	41,565
Interest charges	14,810	-	14,810
	<u>56,375</u>	<u>-</u>	<u>56,375</u>
TOTAL EXPENDITURES	<u>1,273,331</u>	<u>85,830</u>	<u>1,359,161</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(246,242)</u>	<u>-</u>	<u>(246,242)</u>
OTHER FINANCING SOURCES			
Proceeds from capital improvement note payable	193,500	-	193,500
Proceeds from disposition of capital assets	55,875	-	55,875
	<u>249,375</u>	<u>-</u>	<u>249,375</u>
TOTAL OTHER FINANCING SOURCES	<u>249,375</u>	<u>-</u>	<u>249,375</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	<u>3,133</u>	<u>-</u>	<u>3,133</u>
FUND BALANCE - BEGINNING	<u>739,883</u>	<u>-</u>	<u>739,883</u>
FUND BALANCE - ENDING	<u>\$ 743,016</u>	<u>\$ -</u>	<u>\$ 743,016</u>

The accompanying notes are an integral part of this statement.

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

Year Ended September 30, 2009

	<u>Amount</u>
Net change (excess of revenues and other financing sources over expenditures) in fund balance - total governmental funds	\$ 3,133
<p>The increase in net assets reported for governmental activities in the Statement of Activities is different because:</p> <p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Expenditures for capital assets	430,382
Less: Proceeds from disposition of capital assets	(55,875)
Less: Gain on disposition of capital assets	2,564
Less: Current year depreciation	<u>(75,829)</u>
	301,242
<p>The issuance of debt is reported as a financing source in governmental funds and thus contributes to the change in fund balance. In the Statement of Net Assets, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the Statement of Net Assets.</p>	
Proceeds from issuance of capital improvement note payable	(193,500)
Repayments:	
Note payable - Weir	13,783
Capital lease principal payments	<u>27,782</u>
	<u>(151,935)</u>
Change (increase) in net assets of governmental activities	<u><u>\$ 152,440</u></u>

The accompanying notes are an integral part of this statement.

**BARRON WATER CONTROL DISTRICT
 STATEMENT OF FIDUCIARY NET ASSETS -
 AGENCY FUND
 September 30, 2009**

	Special Assessment Bond
	<u> </u>
ASSETS	
Cash and cash equivalents - restricted	\$ 15,496
Investments	<u>109,358</u>
TOTAL ASSETS	<u>\$ 124,854</u>
 LIABILITIES	
Due to landowners	\$ 8,001
Due to bondholder	<u>116,853</u>
TOTAL LIABILITIES	<u>\$ 124,854</u>

The accompanying notes are an integral part of this statement.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and nature of activities

Barron Water Control District (the "District") is an independent special district created by the Twentieth Judicial Circuit Court in Case Number 72-197 on May 8, 1975, under the provisions of Florida Statute, Chapter 298, and as amended by Laws of Florida, Chapter 2000-416, which extended the sunset date of the District until September 30, 2020. Laws of Florida, Chapter 2001-301, approved May 29, 2001, codified, reenacted, amended, and repealed its prior enabling acts. The District was formed for the purpose of preserving and protecting water resources by drainage, irrigation, or water management for approximately 27,300 acres in Glades and Hendry Counties. The District is governed by an elected three (3) member Board of Supervisors on a one acre/one vote basis. The Supervisors serve staggered three (3) year terms.

Summary of significant accounting policies

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

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

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

Reporting entity

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Government-wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the activities of the District and do not emphasize fund types. These governmental activities comprise the primary government. General governmental and intergovernmental revenues support the governmental activities. The purpose of the government-wide financial statements is to allow the user to be able to determine if the District is in a better or worse financial position than the prior year. The effect of all interfund activity between governmental funds has been removed from the government-wide financial statements.

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Government-wide Financial Statements, continued

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

Program revenues are considered to be revenues generated by services performed and/or by fees charged, such as permits allowing drainage into the District systems. The District also had program revenues from rent and interest income.

Fund Financial Statements

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

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

The fiduciary fund financial statements include financial information for the agency fund.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Governmental Funds

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

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

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

Fiduciary Fund

The agency fund accounts for the financial activity related to the special assessment bonds. The District is not liable for the special assessment debt but rather acts strictly in the capacity of an agent for the affected landowners.

Measurement Focus and Basis of Accounting

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Maintenance taxes and non-ad

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Measurement Focus and Basis of Accounting, continued

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

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

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

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

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

The fiduciary fund, an agency fund, is custodial in nature. As such, assets equal liabilities. The agency fund is accounted for in essentially the same manner as governmental funds, except it does not involve measurement of the results of operations.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Non-current Government Assets/Liabilities

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

Major Funds - Governmental

The District reports the following major governmental funds:

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

The Canal System Interlocal Agreement Fund is a special revenue fund and accounts for the financial activity specifically related to and restricted to its canal irrigation system interlocal agreement. As such, the District's special revenue fund provides irrigation services to two independent special districts, Gerber Groves Water Control District and Collins Slough Water Control District, as well as the Barron Water Control District's General Fund. This fund was accounted for as an internal service fund in prior years. Due to the implementation of GASB 34, the District elected to account for this activity in a special revenue fund (a governmental fund).

Fiduciary Fund

Fiduciary funds are not included in the government-wide financial statements because the resources of those funds are not available to support the District's programs. The only type of fiduciary fund the District maintains is an agency fund, which consists of clearing accounts for assets held by a government as an agent for individuals, private organizations, other governments or other funds. The District's agency fund is used to account for the activity related to an outstanding special assessment debt (bond) issue. The District is not liable for or a guarantor of the outstanding special assessment debt, but rather simply acts as agent for the affected landowners in that it collects assessments and then remits such collections to the bondholder.

Budgetary Information

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Capital Assets

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

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

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

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

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

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

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

<u>Asset</u>	<u>Years</u>
Buildings	7-33
Equipment and Machinery	10-33

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Budgets and budgetary accounting

The District has adopted an annual budget for the General Fund and the Special Revenue Fund. The District operates the Special Revenue Fund essentially as an Internal Service Fund. As such, the fund is charged costs by the General Fund and by vendors for services performed. The Special Revenue Fund then allocates and bills the cost to the three participating entities. The fund has no intent to derive net income, but rather charges fees to the participating entities in amounts equal to costs incurred. The annual budget is adopted equal to costs incurred since all costs are simply pass-through costs. Net revenue over (under) expenditures is always budgeted as zero (\$0).

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

1. During the summer of each year, the General Manager and/or Treasurer submits to the Board of Supervisors a proposed operating budget for the fiscal year commencing on the upcoming October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer/landowner comments.
3. The budget is adopted by approval of the Board of Supervisors.
4. Budget amounts, as shown in these basic financial statements, are as originally adopted or as amended by the Board of Supervisors.
5. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America.
6. The level of control for appropriations is exercised at the fund level.
7. Appropriations lapse at year-end.
8. The Board of Supervisors did not amend the special revenue fund budget during the fiscal year ended September 30, 2009. The Board did amend the General Fund budget by increasing budgeted revenues/other financing sources and expenditures by \$308,751 for the year ended September 30, 2009.

Compensated absences

The District's employees accumulate sick and annual leave based on the number of years of continuous service. Upon termination of employment, employees can receive payment of accumulated annual leave, if they meet certain criteria.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Compensated absences, continued

Accumulated annual leave at September 30, 2009 was considered not material and was not recorded in the basic financial statements.

Encumbrances

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

Due To/From Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded by the funds affected in the period in which the transactions are executed.

Due From Other Governments

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

Fund equity

In the governmental fund financial statements, reservation of fund balance indicates amounts that are limited for a specific purpose, are not appropriable for expenditure, or are legally segregated for a specific future use. Designations of fund balance represent tentative management plans. Unreserved, undesignated fund balance indicates funds that are available for current expenditure.

Interfund Transactions

The District considers interfund receivables (due from other funds) and interfund liabilities (due to other funds) to be loan transactions to and from other funds to cover temporary (three months or less) cash needs. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing funds and as reduction of expenditures/expenses in the fund that is reimbursed.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Management estimates

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

Subsequent events

Subsequent events have been evaluated through December 7, 2009, which is the date the financial statements were available to be issued.

NOTE B - CASH AND INVESTMENTS

At September 30, 2009, cash and cash equivalents were \$548,863 (including the Agency Fund, which held \$15,496) which was comprised of unrestricted cash held in the General Fund of \$477,013 (including cash on hand of \$250) and \$71,850 total (all funds) restricted cash. Cash and cash equivalents are restricted at September 30, 2009, for the following purposes:

	<u>Amount</u>
General Fund:	
Debt Service - Weir	\$ 12,736
Plat Unit One	<u>11,469</u>
Total - General Fund	24,205
Special Revenue Fund:	
Canal System Agreement	<u>32,149</u>
Total - Governmental funds	56,354
Agency Fund:	
Special Assessment Debt	<u>15,496</u>
Total	<u>\$ 71,850</u>

Deposits

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

NOTE B - CASH AND INVESTMENTS, CONTINUED

Deposits, continued

At September 30, 2009, the carrying amount of the District's deposits were \$500,968, \$32,149, and \$15,496 in the General Fund, Special Revenue Fund and Agency Fund, respectively. The bank balances were \$514,715, \$32,242, and \$15,496 in the General Fund, Special Revenue Fund and Agency Fund, respectively. These deposits were entirely covered by Federal Depository Insurance or by collateral pursuant to the Florida Statute, Chapter 280, Public Depository Security Act of the State of Florida.

Investments

Florida Statutes and the District's investment policy authorize investments in certificates of deposit (CD). Certificates of deposit whose values exceed the amount of federal depository insurance are collateralized pursuant to the Public Depository Security Act of the State of Florida. The District had \$250,000 (bank and book balance) invested in certificates of deposit at September 30, 2009, held as part of the General Fund - designated for emergency reserves. The CD carried an interest rate of 2.25% and matures December 26, 2010. The District also held \$109,358, as part of the Agency Fund - special assessment debt reserves. This CD carried an interest rate of 1.23% and matures February 2, 2010.

NOTE C - DUE TO/FROM OTHER FUNDS

Interfund receivables and payables at September 30, 2009, are as follows:

<u>Fund</u>	<u>Due from other funds</u>	<u>Due to other funds</u>
General Fund:		
Special Revenue Fund - Canal system interlocal	\$ 2,089	\$ -
Total General Fund	2,089	-
Special Revenue Fund:		
General	-	2,089
Total Special Revenue Fund	-	2,089
Total	\$ 2,089	\$ 2,089

Interfund receivables and payables were eliminated for presentation purposes in the Statement of Net Assets at September 30, 2009.

BARRON WATER CONTROL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

NOTE D - CAPITAL ASSETS ACTIVITY

The following is a summary of changes in capital assets activity for the year ended September 30, 2009:

	Balance October 1 2008	Increases/ Additions	Decreases/ Retirements	Adjustments/ Reclassifications	Balance September 30 2009
Capital Assets Not Being Depreciated:					
Land	\$ 665,305	\$ -	\$ -	\$ -	\$ 665,305
CIP	-	263,054	-	-	263,054
Rights-of-way	<u>48,768</u>	<u>23,059</u>	<u>-</u>	<u>-</u>	<u>71,827</u>
Total Capital Assets Not Being Depreciated	<u>714,073</u>	<u>286,113</u>	<u>-</u>	<u>-</u>	<u>1,000,186</u>
Capital Assets Being Depreciated:					
Buildings	113,503	75,550	-	-	189,053
Equipment acquired under capital lease	167,908	-	-	-	167,908
Equipment & Machinery	<u>728,663</u>	<u>68,719</u>	<u>(154,117)</u>	<u>-</u>	<u>643,265</u>
Total Capital Assets Being Depreciated	<u>1,010,074</u>	<u>144,269</u>	<u>(154,117)</u>	<u>-</u>	<u>1,000,226</u>
Less Accumulated Depreciation:					
Buildings	(63,306)	(5,325)	-	-	(68,631)
Equipment acquired under capital lease	(37,780)	(16,791)	-	-	(54,571)
Equipment & Machinery	<u>(333,411)</u>	<u>(53,713)</u>	<u>100,806</u>	<u>-</u>	<u>(286,318)</u>
Total Accumulated Depreciation	<u>(434,497)</u>	<u>(75,829)</u>	<u>100,806</u>	<u>-</u>	<u>(409,520)</u>
Total Capital Assets Being Depreciated, Net	<u>575,577</u>	<u>68,440</u>	<u>(53,311)</u>	<u>-</u>	<u>590,706</u>
Capital Assets, Net	<u>\$ 1,289,650</u>	<u>\$ 354,553</u>	<u>\$ (53,311)</u>	<u>\$ -</u>	1,590,892
				Less: Related Debt	<u>(389,478)</u>
				Investment in Capital Assets	
				Net of Related Debt	<u>1,201,414</u>

Depreciation expense was charged to the following functions during the year ended September 30, 2009:

	<u>Amount</u>
General Government - Administration	\$ 4,366
General Government - Water Control	<u>71,463</u>
Total Depreciation Expense	<u>\$ 75,829</u>

BARRON WATER CONTROL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

NOTE E - LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the ended September 30, 2009:

	Balance October 1 2008	Additions	Retirements And Adjustments	Balance September 30 2009	Amounts Due Within One Year
Weir Note	\$ 154,140	\$ -	\$ (13,783)	\$ 140,357	\$ 14,514
Capital Impr. Loan	-	193,500	-	193,500	19,350
Capital Lease	83,403	-	(27,782)	55,621	55,621
	<u>\$ 237,543</u>	<u>\$ 193,500</u>	<u>\$ (41,565)</u>	<u>\$ 389,478</u>	<u>\$ 89,485</u>

Long-term debt consists of the following at September 30, 2009:

	<u>Amount</u>
\$154,140 note payable (Weir) to financial institution in the amount of \$22,037 annually beginning June 1, 2009 including interest at 5.36%. The note is collateralized by the certain revenue streams. Final payment due June 1, 2017.	\$ 140,357
\$134,911 capital lease payable annually, on July 13, to a financial institution in the amount of \$32,206 including interest at 5.3%, collateralized by the respective equipment. Final balloon payment of \$58,640 due July 13, 2010.	55,621
\$193,500 capital improvement loan payable annually, on June 1, to a financial institution in the principal amount of \$19,350 plus interest at 3.9%, collateralized by the respective annual proceeds from the special assessment. Final payment due June 1, 2019.	<u>193,500</u>
Total Long-Term Debt	<u>\$ 389,478</u>

Interest expense related to the note payable - Weir for the year ended September 30, 2009, was \$8,254.

Interest expense related to the capital lease payable for the year ended September 30, 2009, was \$4,424.

Interest expense related to the capital improvement loan payable for the year ended September 30, 2009, was \$2,132.

BARRON WATER CONTROL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

NOTE E - LONG-TERM LIABILITIES, CONTINUED

The annual debt service requirements for long-term debt obligations at September 30, 2009, were as follows:

Year Ending	Note Payable - Weir		Capital Lease		Capital Improvement Loan		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
September 30								
2010	\$ 14,514	\$ 7,523	\$ 55,621	\$ 2,952	\$ 19,350	\$ 6,554	\$ 89,485	\$ 17,029
2011	15,292	6,745	-	-	19,350	6,792	34,642	13,537
2012	16,095	5,942	-	-	19,350	6,037	35,445	11,979
2013	16,974	5,063	-	-	19,350	5,283	36,324	10,346
2014	17,884	4,153	-	-	19,350	4,528	37,234	8,681
2015-2017	59,598	6,507	-	-	96,750	11,320	156,348	17,827
Total debt service	<u>\$ 140,357</u>	<u>\$ 35,933</u>	<u>\$ 55,621</u>	<u>\$ 2,952</u>	<u>\$ 193,500</u>	<u>\$ 40,514</u>	<u>\$ 389,478</u>	<u>\$ 79,399</u>

NOTE F - LINE OF CREDIT

During the year ended September 30, 2008, the District obtained a \$250,000 Line of Credit (LOC) from a financial institution. The LOC required interest at 3.9%. Principal is due on demand but no later than June 1, 2009. The LOC is collateralized by a security agreement including certain revenue streams. During the year ended September 30, 2009, the District drew \$193,500 on the LOC then converted the debt to a ten (10) year term loan (capital improvement loan) and closed the LOC. The proceeds were used to purchase certain capital assets and to repair certain capital assets. At September 30, 2009, there was no outstanding balance due.

During the year ended September 30, 2009, the District renewed a \$500,000 Line of Credit (LOC) from a financial institution. The LOC was intended to be used for emergency preparedness and to fund the cost of an emergency response to a disaster. The LOC required interest at 3.25%. Principal is due on demand but no later than February 1, 2010. The LOC is collateralized by security agreement including certain revenue streams. At September 30, 2009, there was no outstanding balance due and no monies had been drawn on the LOC during the year ended September 30, 2009. The District intends to renew the line of credit at February 1, 2010.

NOTE G - MAINTENANCE TAXES

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

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

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

Under the provisions of Chapter 298.54 of the Florida Statutes, the Board of Supervisors of the District levied the following uniform maintenance taxes on land within the District to pay the operating costs of the District for the year ended September 30, 2009:

	<u>Maintenance Taxes</u>	
Urban area	\$ 62.37	per acre
Urban area - grove	\$ 31.19	per acre
Irrigated agricultural units	\$ 24.31	per acre
Drainage agricultural units	\$ 5.54	per acre

Tax revenue from this levy is used for the maintenance and operating costs of the District.

NOTE G - MAINTENANCE TAXES, CONTINUED

For the year ended September 30, 2009, the District also levied an assessment under Florida Statute Chapter 298.36 of \$1.13 per acre on irrigated agricultural units and \$0.77 per acre on drainage agricultural units to repay the debt and related construction cost of two (2) new weirs. The District financed this project through a note payable over a ten (10) year period, which will be used to initially fund the cost of construction of the weirs.

For the year ended September 30, 2009, the District experienced maintenance tax collections (including related special assessments) (gross) of approximately \$118,000 less than the amount of tax levied. This amount includes approximately \$40,000 (see Note P) which was inadvertently not assessed timely by the Glades County Property Appraiser.

NOTE H - SPECIAL ASSESSMENT DEBT WITH NO GOVERNMENT COMMITMENT

In 1995, the District issued, on behalf of the landowners within the District, \$2,320,000 of special assessment bonds. In 1997, the District issued, on behalf of the landowners within the District, another \$2,320,000 of special assessment bonds. During 1998, the District issued two additional special assessment bond issues in the amount of \$1,200,000 and \$1,115,000, respectively. In 1999, the Board of Supervisors authorized the issuance of a special assessment bond issue not to exceed \$250,000. The bond proceeds from the debt issues are being used to construct and improve water control structures.

During April 2000, the District issued the Series 2000 Bonds in an amount not to exceed \$1,328,415. These bonds, together with excess reserve amounts, were issued to retire certain bonds and refinance and consolidate the balance of the 1995, 1997, and both 1998 Series Bonds. As a result of the issuance of the Series 2000 Bonds and the related refinancing and consolidation, only the 1999 and the 2000 Series Bonds remained outstanding. The Series 1999 Bonds were fully repaid during the year ended September 30, 2007. At September 30, 2009, only the Series 2000 Bonds remain outstanding in the amount of \$116,853. These Bonds are payable annually and due June 1, 2010. Interest accrues at a fixed rate of 4.68%.

**NOTE H - SPECIAL ASSESSMENT DEBT WITH NO GOVERNMENT COMMITMENT,
 CONTINUED**

The District is not obligated to repay the special assessment debt even if sufficient assessment funds are not available. The District functions strictly as an agent for the landowners in collecting the assessments, forwarding the collections to the bondholder, and initiating foreclosure proceedings against landowners, if appropriate, for non-payment of assessments. The special assessments are levied against the benefited land under the provisions of Florida Statute 298.36. The benefited land serves as collateral for the special assessment debt. The special assessments received and the related debt service payments are accounted for in an agency fund on behalf of the landowners. The activity of this agency fund is disclosed within this financial statement but is not considered part of the District's financial position

Under the provisions for "Special Assessments" within Chapter 298.36 of the Florida Statutes, the Board of Supervisors of the District annually levies and collects special assessments, then remits the assessment collections to the bondholder as payment for the outstanding debt. The special assessments levied for the year ended September 30, 2009, were as follows:

	<u>Special Assessment Installment Taxes</u>	
2000 Bond Series	\$	15.30 per acre on irrigated agricultural units
2000 Bond Series	\$	1.84 per acre on drainage agricultural units

NOTE I - RELATED PARTY TRANSACTIONS

The District paid \$107,856 to Port LaBelle Community Development District (PLCDD) during the year ended September 30, 2009, for field operation, accounting services and other services performed under an intergovernmental agreement. In addition, the District received \$4,400 from PLCDD for the use of office space and computer facilities, \$1,800 for the use of a vehicle and \$75,901 for the cost sharing of the general managers and receptionist.

Included in Due From Other Governments at September 30, 2009, is \$10,860 from PLCDD. Included in Due To Other Governments at September 30, 2009, is \$33,291 due to PLCDD.

NOTE J - RESERVATION OF FUND EQUITY

At September 30, 2009, a total reserved fund balance of \$24,205 was held in the General Fund (Restricted Net Assets in the Governmental-wide Financial Statements) and was comprised of the following:

A reserve balance of \$12,736 is held for the construction of a weir and repayment of related debt, if any.

A reserve balance of \$11,469, including interest income, is intended to be used to beautify and maintain a buffer area in Plat Unit One. This reserve results from a settlement agreement from the taking of land by the City of LaBelle. The original settlement amount was \$10,000.

NOTE K - RETIREMENT PLAN

Plan description and provisions

All full-time District employees are participants in the statewide Florida Retirement System (FRS) under the authority of Article X, Section 14 of the State Constitution and Florida Statutes, Chapters 112 and 121. The FRS is noncontributory and is totally administered by the State of Florida. Pension costs for the District ranged between 9.85% and 13.12% for the year ended September 30, 2009. The District's contributions to the plan were \$25,332, \$26,121, and \$30,180 for the years ended September 30, 2009, 2008, and 2007, respectively. There were no employee contributions to the plan. The District contributed 100% of the required contributions. The District's covered payroll for the years ended September 30, 2009, 2008, and 2007, was \$228,116, \$236,968, and \$270,440, respectively.

Employees who retire with 6 years of creditable service or after age 62, 6 years of senior management service and age 62, 6 years of special risk service and age 55, or 30 years of service (25 years for special risk) regardless of age, are entitled to a retirement benefit, payable monthly for life, equal to 1.6% to 3.0% per year of creditable service, depending on the class of employee (regular, special risk, etc.) based on average final compensation of the five (5) highest fiscal years' compensation.

Benefits vest after 6 years (6 years for senior management) of credited service. Vested employees may retire anytime after vesting and incur a 5% benefit reduction

NOTE K - RETIREMENT PLAN, CONTINUED

Plan description and provisions, continued

for each year prior to normal retirement age.

Early retirement, disability, death, and survivor benefits are also offered. Benefits are established by State Statute. The plan provides for a constant 3% cost-of-living adjustment for retirees.

The Plan also provides several other plan and/or investment options that may be elected by the employee. Each offers specific contribution and benefit options. The Plan documents should be referenced for complete detail.

Description of funding policy

This is a cost sharing, multi-employer plan available to governmental units within the state and actuarial information with respect to an individual participating entity is not available. Participating employers are required by Statute to pay monthly contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due.

Plan information

A copy of the FRS's June 30, 2009 annual report can be obtained by writing to the Florida Division of Retirement, Cedars Executive Center, 2639-C North Monroe Street, Tallahassee, Florida 32399-1560, or by calling (850) 488-5706.

NOTE L - RISK MANAGEMENT

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

NOTE L - RISK MANAGEMENT, CONTINUED

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

The District carries limits of liability of \$2,000,000 per occurrence and \$4,000,000 in the aggregate. The District retains the risk of loss up to a deductible amount of \$1,000. A loss fund is established to pay the self-insured retention amounts. Self-insured per occurrence limits are \$100,000 for property, general liability, auto, or workers' compensation claims and \$25,000 for crime related claims. Any claims in excess of these established limits are covered by aggregate excess or stop loss insurance.

The District is covered by Florida Statutes under Doctrine of Sovereign Immunity, which effectively limits the liability of individual claims to \$100,00/\$200,000 for all claims relating to the same incident.

In accordance with GASB Statement Number 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", which recognizes the funding of outstanding liabilities at full value, the pool retained Insurance Industry Consultants, Inc. to estimate ultimate retained losses and net loss reserve requirements as of the fiscal year ended September 30, 2009. The actuaries have concluded that the loss fund, including contributions not yet received and interest earned on all fund years to date, is sufficient to pay the retained ultimate losses and loss adjustment expenses for all fund years through September 30, 2009.

The District provides health and life insurance coverage through the Public Risk Management of Florida Group Health Trust. A loss fund is established to pay a self-insured retention amount of \$175,000 per person. Any claims in excess of this limit are paid by aggregate stop loss insurance.

Major uninsurable risks include damages to infrastructure assets and damages or governmental fines due to seepage, pollution, or contamination of any kind.

NOTE M - CONTINGENCIES

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

The District is the plaintiff in an eminent domain court action. The District continues to vigorously pursue the conclusion of the case. Should the District prevail, it will be required to pay court ordered costs. Such costs are not anticipated to be financially material to the District.

NOTE N - COMMITMENTS

During the year ended September 30, 2007, the District committed to the construction of two (2) weirs in the total amount of approximately \$420,000. The construction was completed during the year ended September 30, 2008, for a cost of \$421,801. As part of the construction, the District was awarded a grant from South Florida Water Management District (SFWMD) in the amount of \$200,000 to be used towards the construction costs. During the year ended September 30, 2008, the District did receive the \$200,000 grant proceeds and applied the proceeds to the project costs. The balance of the construction costs were funded through a \$154,140 note payable and cash received from the initial assessment of the affected landowners. During the year ended September 30, 2008, the District levied an initial assessment on the benefited land to service the note payable. The District originally borrowed against its LOC to begin funding fund the construction costs but converted the LOC to a term loan during the year ended September 30, 2008. The District intends to repay the loan over a ten (10) year period by annually assessing the benefited lands. As September 30, 2009, the District held cash in the amount of \$12,736 restricted to fund these construction costs. The cash was collected as a result of the annual special assessments.

NOTE N - COMMITMENTS, CONTINUED

The District, as a landowner, is a signatory to a Consent Order issued by the State of Florida, Department of Environmental Protection (DEP). The Consent Order was entered as a result of Hurricane Wilma destroying a tenant's building on land leased from the District. The building contained pesticides and fuel. The District would be held responsible for the clean-up and monitoring should the tenant become insolvent. During the year ended September 30, 2008, the tenant performed the required remediation of the site. The tenant's consultant reported the soils now meet the clean-up target levels but the site's groundwater did not meet the target levels. They recommended quarterly monitoring and estimated the target would be met by March 2009. In August 2009, the former tenant submitted a final report to DEP. DEP accepted the report and closed the case. This action released the former tenant and the District from further action.

NOTE O - IMPLEMENTATION OF GASB STATEMENT NO. 45

The Governmental Accounting Standards Board has issued Statement No. 45, "Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions." This Statement will change the manner in which a governmental entity funds and records its post retirement benefit costs other than pension. Specifically, governments will have to actuarially accrue and fund costs rather than fund them on a pay-as-you-go basis, as is currently the method used. This Statement may have a significant effect on the District's annual budget. The Statement is effective for the year ended September 30, 2008 for Phase I governments. However, the District is considered a Phase III government. Therefore, this Statement is effective for the year ended September 30, 2010. The District, as required by the State of Florida, provides retirees the opportunity to participate, purchase and pay for health insurance as part of the District's health insurance plan.

NOTE P - UNCOLLECTED SPECIAL ASSESSMENTS

During the year ended September 30, 2009, the District properly resolved to levy a maintenance tax as well as the weir and 2000 Bond assessments. The Glades County Property Appraiser, however, inadvertently initially only assessed the maintenance tax. The Property Appraiser ultimately assessed the levy on September 18, 2009 in the amount of approximately \$40,000. The property owners were provided until May 2010 to pay the assessment. Therefore, this assessment is not spendable or available for the year ended September 30, 2009. All such collections will be recorded in fiscal year 2010 and no receivable or related revenue is recorded in fiscal year 2009.

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

BARRON WATER CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND
ACTUAL - GENERAL FUND - SUMMARY STATEMENT
Year Ended September 30, 2009

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Maintenance taxes	\$ 730,500	\$ 730,500	\$ 621,188	\$ (109,312)
Joint trust contributions	38,000	38,000	36,064	(1,936)
Pump Contribution	-	205,000	209,927	4,927
Intergovernmental revenue	62,000	62,000	77,728	15,728
Local grants	-	-	-	-
Interest	24,800	24,800	20,918	(3,882)
Labor	11,500	11,500	16,232	4,732
Rent	6,000	6,000	6,600	600
Miscellaneous	4,200	4,200	38,432	34,232
Prior year budgeted carryforward	873,632	739,883	-	(739,883)
TOTAL REVENUES	<u>1,750,632</u>	<u>1,821,883</u>	<u>1,027,089</u>	<u>(794,794)</u>
EXPENDITURES				
Current				
General government				
Administration				
Personal services	154,480	154,480	161,078	(6,598)
Operating expenditures	128,200	130,700	198,726	(68,026)
	282,680	285,180	359,804	(74,624)
Physical environment				
Field operations				
Personal services	238,600	238,600	186,829	51,771
Operating expenditures	295,020	304,520	239,941	64,579
	533,620	543,120	426,770	116,350
Capital outlay	116,000	482,293	430,382	51,911
Debt Service				
Principal retired	17,000	44,783	41,565	3,218
Interest charges	2,700	7,124	14,810	(7,686)
Contingency	798,632	696,883	-	696,883
TOTAL EXPENDITURES	<u>1,750,632</u>	<u>2,059,383</u>	<u>1,273,331</u>	<u>786,052</u>
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	-	(237,500)	(246,242)	(8,742)
OTHER FINANCING SOURCES				
Proceeds from capital improvement note payable	-	193,500	193,500	-
Proceeds from disposition of capital assets	-	44,000	55,875	11,875
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>237,500</u>	<u>249,375</u>	<u>11,875</u>
EXCESS OF REVENUES AND				
OTHER FINANCING SOURCES				
OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	3,133	<u>\$ 3,133</u>
FUND BALANCE - BEGINNING			<u>739,883</u>	
FUND BALANCE - ENDING			<u>\$ 743,016</u>	

The accompanying notes are an integral part of this statement.

BARRON WATER CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND
ACTUAL - GENERAL FUND - DETAILED STATEMENT
Year Ended September 30, 2009

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Maintenance taxes	\$ 730,500	\$ 730,500	\$ 621,188	\$ (109,312)
Joint trust contributions	38,000	38,000	36,064	(1,936)
Pump Contribution	-	205,000	209,927	4,927
Intergovernmental revenue	62,000	62,000	77,728	15,728
Local grants	-	-	-	-
Interest	24,800	24,800	20,918	(3,882)
Labor	11,500	11,500	16,232	4,732
Rent	6,000	6,000	6,600	600
Miscellaneous	4,200	4,200	38,432	34,232
Prior year budgeted carryforward	873,632	739,883	-	(739,883)
TOTAL REVENUES	1,750,632	1,821,883	1,027,089	(794,794)
EXPENDITURES				
Current				
General government				
Administration				
Personal services				
Board of Supervisors' fees	1,200	1,200	450	750
Salaries, General Manager	87,550	87,550	87,550	-
Salaries, clerical	20,000	20,000	16,905	3,095
Payroll benefits	45,730	45,730	56,173	(10,443)
TOTAL - ADMINISTRATION				
PERSONAL SERVICES	154,480	154,480	161,078	(6,598)
Operating expenditures				
Secretarial services	21,000	21,000	25,323	(4,323)
Audit and bookkeeping	16,000	16,000	25,520	(9,520)
Computer expenses	4,000	4,000	5,270	(1,270)
Tax collection fees	26,000	26,000	22,660	3,340
Travel	1,400	1,400	2,528	(1,128)
Telephone services	3,100	3,100	4,393	(1,293)
Utilities	2,900	2,900	1,096	1,804
Office expense	10,500	10,500	24,905	(14,405)
Miscellaneous expense	-	-	21,058	(21,058)
Legal notices/miscellaneous	2,500	2,500	3,819	(1,319)
Permit fees	-	2,500	10,150	(7,650)
Auto expense	500	500	262	238
Refunds	-	-	41,888	(41,888)
Membership fees	2,300	2,300	2,300	-
Legal fees	38,000	38,000	7,554	30,446
TOTAL - ADMINISTRATION				
OPERATING	128,200	130,700	198,726	(68,026)
SUBTOTAL EXPENDITURES				
CARRIED FORWARD	\$ 282,680	\$ 285,180	\$ 359,804	\$ (74,624)

The accompanying notes are an integral part of this statement.

BARRON WATER CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND
ACTUAL - GENERAL FUND - DETAILED STATEMENT, CONTINUED
Year Ended September 30, 2009

	General Fund			Variance
	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
EXPENDITURES, CONTINUED				
SUBTOTAL EXPENDITURES				
BROUGHT FORWARD	\$ 282,680	\$ 285,180	\$ 359,804	\$ (74,624)
Physical environment				
Field operations				
Personal services				
Salaries/wages	150,000	150,000	123,661	26,339
Payroll benefits	88,600	88,600	63,168	25,432
TOTAL - FIELD OPERATIONS				
PERSONAL SERVICES	238,600	238,600	186,829	51,771
Operating expenditures				
Engineering service	11,000	20,500	13,324	7,176
Water quality tests	8,600	8,600	9,030	(430)
Canal maintenance	15,000	15,000	-	15,000
Rental equipment	1,200	1,200	300	900
Insurance - liability	37,620	37,620	36,732	888
Utilities	1,700	1,700	3,794	(2,094)
Mobile telephone expense	3,800	3,800	2,512	1,288
Electric service	92,000	92,000	76,497	15,503
Pump repair	6,500	6,500	5,647	853
Repairs and maintenance - equipment	29,500	29,500	16,669	12,831
Assessments	5,600	5,600	4,960	640
Operating supplies	42,000	42,000	34,890	7,110
Chemicals	40,500	40,500	35,586	4,914
TOTAL - FIELD OPERATIONS				
OPERATING	295,020	304,520	239,941	64,579
Capital outlay	66,000	432,293	407,323	24,970
Acquisition of Right-of-Way	50,000	50,000	23,059	26,941
Principal retirement	17,000	44,783	41,565	3,218
Interest Charges	2,700	7,124	14,810	(7,686)
Contingency	798,632	696,883	-	696,883
	934,332	1,231,083	486,757	744,326
TOTAL EXPENDITURES	1,750,632	2,059,383	1,273,331	786,052
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES CARRIED FORWARD	\$ -	\$ (237,500)	\$ (246,242)	\$ (8,742)

The accompanying notes are an integral part of this statement.

BARRON WATER CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND
ACTUAL - GENERAL FUND - DETAILED STATEMENT, CONTINUED
Year Ended September 30, 2009

	General Fund			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BROUGHT FORWARD	\$ -	\$ (237,500)	\$ (246,242)	\$ (8,742)
OTHER FINANCING SOURCES				
Proceeds from capital improvement note payable	-	193,500	193,500	-
Proceeds from disposition of capital assets	-	44,000	55,875	11,875
TOTAL OTHER FINANCING SOURCES	-	237,500	249,375	11,875
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	\$ -	\$ -	3,133	\$ 3,133
FUND BALANCE - BEGINNING			739,883	
FUND BALANCE - ENDING			\$ 743,016	

The accompanying notes are an integral part of this statement.

BARRON WATER CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND
ACTUAL - SPECIAL REVENUE FUND - CANAL SYSTEM AGREEMENT
Year Ended September 30, 2009

	Special Revenue Fund - Canal System			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Charges for services	\$ -	\$ -	\$ 85,830	\$ 85,830
Interest	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>85,830</u>	<u>85,830</u>
EXPENDITURES				
Current				
Physical environment				
Field operations				
Operating expenditures	-	-	85,830	(85,830)
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>85,830</u>	<u>(85,830)</u>
EXCESS OF REVENUES OVER				
(UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE - BEGINNING			<u>-</u>	
FUND BALANCE - ENDING			<u><u>\$ -</u></u>	

The accompanying notes are an integral part of this statement.

BARRON WATER CONTROL DISTRICT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUND - SPECIAL ASSESSMENT BONDS
Year Ended September 30, 2009

	Balance October 1 2008	Additions	Deletions	Balance September 30 2009
ASSETS				
Cash and cash equivalents - restricted	\$ 31,546	\$ -	\$ 16,050	\$ 15,496
Investments	<u>107,472</u>	<u>1,886</u>	<u>-</u>	<u>109,358</u>
TOTAL ASSETS	<u>\$ 139,018</u>	<u>\$ 1,886</u>	<u>\$ 16,050</u>	<u>\$ 124,854</u>
 LIABILITIES				
Due to landowners	\$ (66,395)	\$ 74,396	\$ -	\$ 8,001
Due to bondholder	<u>205,413</u>	<u>-</u>	<u>88,560</u>	<u>116,853</u>
TOTAL LIABILITIES	<u>\$ 139,018</u>	<u>\$ 74,396</u>	<u>\$ 88,560</u>	<u>\$ 124,854</u>

The accompanying notes are an integral part of this statement.

**ADDITIONAL REPORTS OF
INDEPENDENT AUDITOR**



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

Board of Supervisors
Barron Water Control District
P.O. Box 1606
LaBelle, Florida 33975-1606

We have audited the basic financial statements of Barron Water Control District as of and for the year ended September 30, 2009 and have issued our report thereon dated December 7, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Barron Water Control District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of Barron Water Control District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Barron Water Control District internal control over financial reporting.

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 misstatements on a timely basis.

A material weakness is a deficiency, or combination of significant deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the basic financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. We, however, noted certain other matters that we reported to management of Barron Water Control District in our Report to Management dated December 7, 2009.

Compliance and Other Matters

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

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

Tuscan & Company, P.A.

TUSCAN & COMPANY, P.A.
Fort Myers, Florida
December 7, 2009



INDEPENDENT AUDITOR'S REPORT TO MANAGEMENT

Board of Supervisors
Barron Water Control District
P.O. Box 1606
LaBelle, Florida 33975-1606

We have audited the basic financial statements of Barron Water Control District (the "District") as of and for the year ended September 30, 2009 and have issued our report thereon dated December 7, 2009. In connection with our audit, we are submitting the following comments and recommendations in accordance with Chapter 10.550 "Rules of the Auditor General - Local Governmental Entity Audits" (Revised September 30, 2009) Rule 10.557(3) and Section 218.39(4) of the Florida Statutes.

PRIOR YEAR COMMENTS THAT CONTINUE TO APPLY:

Note: Prior year comments not repeated appear to have been addressed and/or resolved.

CURRENT YEAR COMMENTS:

1. Travel Forms Should Include All Costs Related To A Travel Event
During the audit, we tested five (5) of fifteen (15) travel related disbursements, which covered sixty-seven percent (67%) of the total cost expensed. As such, we noted one of the five disbursements was for lodging and that no travel form was attached.

Florida Statutes require and we recommend that the entire cost of the travel event be reported on a travel form which is signed and certified by the traveler.

2. Balance Due To/From Other Governments Should Be Paid Timely
During the prior year, certain receivables and payables were recorded between Port LaBelle Community Development District and Barron Water Control District. It was noted during the audit for the year ended September 30, 2009 that a portion of these amounts were still outstanding.

2. Balance Due To/From Other Governments Should Be Paid Timely, continued

We recommend that the amounts due to/from the two Districts be paid monthly. It should be noted that these amounts historically have been cleared and paid monthly. These items appear to have been inadvertently overlooked.

We have included in this letter all comments which came to our attention during the course of our audit regarding Items 1 through 7, as applicable, of the "Rules of the Auditor General - Local Governmental Entity Audits," Rule 10.554, Section (1)(i). In regard to Item 2, we represent that the Barron Water Control District has complied with Florida Statute 218.415 regarding investment of public funds. In regard to Item 7(a), nothing came to our attention to cause us to believe that at any time during the year the Barron Water Control District met any of the criteria for being in a state of financial emergency as defined in Florida Statute 218.503(1). In regard to item 7(c)(1), we applied financial condition assessment procedures pursuant to Rule 10.556(7) and noted no significant indications of deteriorating financial conditions. As such, we do not believe the District to be in a state of financial emergency as a consequence of conditions described in Section 218.503(1) of the Florida Statutes. Additionally, in regard to Item 7(b), we represent that the financial report filed with the Department of Financial Services, pursuant to Florida Statute 218.32(1)(a), is in agreement with the annual financial audit report for the same period.

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

Tuscan & Company, P.A.

TUSCAN & COMPANY, P.A.
Fort Myers, Florida
December 7, 2009

EXHIBIT

BARRON WATER CONTROL DISTRICT

P.O. Box 1606, LaBelle, Florida 33975
Shipping: 3293 Dellwood Terrace, LaBelle, Florida 33975
(863) 675-0346 Fax (863) 675-9297 E-Mail BWCD1@aol.com
F.S. Chapter 298 Government District

January 15, 2010

Tuscan & Company, P.A.
12621 World Plaza Lane, Bldg. 55
Ft. Myers, FL 33907

Gentlemen:

In compliance with Chapter 10.550, rules of the Auditor General, in regard to the comments offered in the audit (page 41 & 42), the following responses are offered:

Travel Form Should Include All Costs Related To a Travel Event

In the future all travel forms will include all costs related to the travel event and will be checked to be certain they do.

Balance Due To/From Other Governments Should Be Paid Timely

Receivables and payables are normally paid in a timely manner. Care will be taken to be certain they are all handled in a timelier manner in the future.

Sincerely,



Lester B. Baird, Sr.
General Manager

LBB/js