CENTRAL COUNTY WATER CONTROL DISTRICT

BASIC FINANCIAL STATEMENTS
TOGETHER WITH REPORTS OF
INDEPENDENT AUDITOR

YEAR ENDED
September 30, 2023

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TUSCAN
& Company, PA
Certified Public Accountants & Consultants

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

INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of Central County Water Control District (the "District") as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Unmodified
General Fund	Unmodified

In our opinion, based on the results of our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Central County Water Control District as of September 30, 2023, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages I - VII, Schedule of the District's Proportionate Share of the Net Pension Liability - Florida Retirement System (FRS) Pension Plan, Schedule of District Contributions - Florida

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

Other Required Supplementary Information

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

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The Exhibit 1 - Management's Response to Independent Auditor's Report to Management and Exhibit 2 - Florida Rules of the Auditor General - Rule 10.554(l)(i)6-8 Compliance - Unaudited are not a required part of the basic financial statements but is required by Government Auditing Standards and/or Rules of the Auditor General, Section 10.554(i), respectively. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Section 218.415, Florida Statutes

In accordance with Section 218.415, Florida Statutes, we have also issued a report dated May 31, 2024, on our consideration of Central County Water Control District's compliance with provisions of Section 218.415, Florida Statutes. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and to provide an opinion on compliance with the aforementioned Statute. That report is an integral part of an audit performed in accordance with Sections 218.39 and 218.415, Florida Statutes in considering Central County Water Control District's compliance with Section 218.415, Florida Statutes.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 31, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contract and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Central County Water Control District's internal control over financial reporting and compliance.

Tuscan & Company, P.A.

TUSCAN & COMPANY, P.A.
Fort Myers, Florida
May 31, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

CENTRAL COUNTY WATER CONTROL DISTRICT

Management's Discussion and Analysis
For the year ending September 30, 2023

Management's Discussion and Analysis

This discussion and analysis of the Central County Water Control District (the "District") financial statements is intended to give a considered overview of the District's financial activities for the fiscal year ended September 30, 2023. 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 2022, the District's assets exceeded its liabilities, resulting in net position of $8,239,238.

- At the close of fiscal year 2023, the District's assets exceeded its liabilities, resulting in net position of $7,250,707.

- The District had $1,412,475 of unrestricted net position that can be used to meet the District's ongoing obligations at September 30, 2022.

- The District had $663,205 of unrestricted net position that can be used to meet the District's ongoing obligations at September 30, 2023.

- For the year ended September 30, 2022, the District's net position decreased by $886,002.

- For the year ended September 30, 2023, the District's net position balance decreased by $988,531.

- Operationally, on a fund basis, the District's expenditures exceeded revenues by $727,914 for the year ended September 30, 2022.

- Operationally, on a fund basis, the District's expenditures exceeded revenues by $596,827 for the year ended September 30, 2023.

- Total governmental revenues increased $250,144 or 12 percent for the year ended September 30, 2022 in comparison to the prior year.

- Total governmental revenues increased $616,184 or 27 percent for the year ended September 30, 2023 in comparison to the prior year due to an increase in current year maintenance taxes as the maintenance tax increased from $250 per acres to $325 per acre.

- Total governmental expenses increased $578,564 or 23 percent for the year ended September 30, 2022 in comparison to the prior year.

- Total governmental expenses increased $718,713 or 23 percent for the year ended September 30, 2023 in comparison to the prior year due to an increase in road maintenance related costs.

- The District's net investment in capital assets decreased by $127,063 during the year ended September 30, 2022 due to depreciation of $483,525.

- The District's net investment in capital assets decreased by $239,261 or 4 percent during the year ended September 30, 2023 due to depreciation of $487,124.

- In accordance with GASB Statement #68, the District is required to annually record its proportionate share of the actuarially determined FRS's net pension liability. The District recorded a net pension liability of $694,654 at September 30, 2023.

- Effective September 30, 2018, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 75 "*Accounting and Financial Reporting for Post Employment Benefits Other Than Pensions (OPEB)*" (Statement No. 75). This accounting standard requires the District to report its actuarially determined net OPEB liability, which was determined to be zero, in the government-wide financial statements of the District as of September 30, 2023 due to the fact the District's health premiums are age banded.

Government-wide Financial Statements

Government-wide financial statements (Statement of Net Position and Statement of Activities found on pages 5 and 6) are intended to allow a reader to assess a government's operational accountability. Operational accountability is defined as the extent to which the government has met its operating objectives efficiently and effectively, using all resources available for that purpose, and whether it can continue to meet its objectives for the foreseeable future. Government-wide financial statements concentrate on the District as a whole and do not emphasize fund types.

The Statement of Net Position (Page 5) presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. The District's capital assets (property, buildings and equipment) are included in this Statement and are reported net of their accumulated depreciation.

The Statement of Activities (Page 6) presents revenue and expense information showing how the District's net position changed during the fiscal year. Both Statements are measured and reported using the economic resource measurement focus (revenues and expenses) and the accrual

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

Governmental Fund Financial Statements

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

Governmental fund financial statements (found on pages 7 and 9) 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 11. These notes are essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

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

The following is a condensed summary comparison of net position for the primary government for fiscal year 2023, 2022 and 2021:

Summary of Net Position
September 30

	2023 Amounts	2022 Amounts	2021 Amounts
Assets:			
Current and other assets	$ 1,380,863	$ 1,915,915	$ 2,675,461
Capital assets, net	8,087,673	8,524,287	8,842,522
Total Assets	9,468,536	10,440,202	11,517,983
Deferred outflows of resources	197,752	239,573	140,798
Liabilities:			
Current liabilities	336,916	298,480	323,693
Non-current liabilities	2,019,505	2,106,339	1,947,165
Total Liabilities	2,356,421	2,404,819	2,270,858
Deferred inflows of resources	59,160	35,718	262,683
Net Position:			
Net investment in capital assets	6,587,502	6,826,763	6,953,826
Restricted	-	-	-
Unrestricted	663,205	1,412,475	2,171,414
Total Net Position	$ 7,250,707	$ 8,239,238	$ 9,125,240

At September 30, 2022, current and other assets represent 18 percent of total assets. Current assets are comprised of unrestricted cash balances of $1,811,178, restricted cash of $2,289, receivables of $0, due from other governments of $0, inventory of $91,752, and other assets of $10,696. The balances of unrestricted cash represent amounts that are available for spending at the District's discretion.

At September 30, 2023, current and other assets represent 15 percent of total assets. Current assets are comprised of unrestricted cash balances of $1,318,321, restricted cash of $2,300, receivables of $165, due from other governments of $18,654, inventory of $26,441, and other assets of $14,982. The balances of unrestricted cash represent amounts that are available for spending at the District's discretion.

At September 30, 2022, the capital assets of $16,125,114 are comprised of land, buildings, improvements, equipment, furniture, and vehicles, and are shown net of accumulated depreciation of $7,600,827.

At September 30, 2023, the capital assets of $16,175,624 are comprised of land, buildings, improvements, equipment, furniture, and vehicles, and are shown net of accumulated depreciation of $8,087,951.

The unrestricted net position balance at September 30, 2022 of $1,412,475 represents a decrease of $(758,939) or less than 35 percent decrease from the prior fiscal year.

The unrestricted net position balance at September 30, 2023 of $663,205 represents a decrease of $(749,270) or a 53 percent decrease from the prior fiscal year.

In regard to the General Fund operations of the District, maintenance tax based on benefits provided. For fiscal years 2023, 2022 and 2021, the maintenance tax levies were $325, $250 and $220 per acre, respectively.

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

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

	2023 Amounts	2022 Amounts	2021 Amounts
Revenues:			
Maintenance taxes	$ 2,596,035	$ 2,052,990	$ 1,813,845
Operating grant	5,000	-	4,780
Interest	78,612	11,603	24,279
Gain (loss) on disposition	-	-	-
Miscellaneous (including rent and sale of spoil)	190,277	189,147	160,692
Total Revenues	2,869,924	2,253,740	2,003,596
Expenses:			
Water Control and Roads	3,798,369	3,073,475	2,495,869
Interest and fiscal charges	60,086	66,267	65,309
Total expenses	3,858,455	3,139,742	2,561,178
Increase (decrease) in net position	(988,531)	(886,002)	(557,582)
Net position - Beginning	8,239,238	9,125,240	9,682,822
Net Position - Ending	$ 7,250,707	$ 8,239,238	$ 9,125,240

Capital Assets

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

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

Capital Assets
September 30

	2023	2022	2021
Capital Assets not being depreciated:			
Land	$ 3,488	$ 3,488	$ 3,488
Construction in progress	-	-	-
Total Capital Assets not being depreciated	3,488	3,488	3,488
Capital Assets being depreciated:			
Buildings and building improvements	413,634	413,634	413,634
Other improvements	12,796,077	12,796,077	12,796,077
Machinery & equipment	2,962,425	2,911,915	2,746,625
Total Capital Assets being depreciated	16,172,136	16,121,626	15,956,336
Less: Accumulated Depreciation	(8,087,951)	(7,600,827)	(7,117,302)
Capital Assets, being depreciated, net	8,084,185	8,520,799	8,839,034
Capital Assets, Net	$ 8,087,673	$ 8,524,287	$ 8,842,522

During the year ended September 30, 2023, the District purchased two (2) signs, an A/C unit, a mower and a welder.

During the year ended September 30, 2022, the District purchased various equipment, a semi-cab, trailer, a long arm excavator, a mulcher and a bounce house as well as performed road improvements.

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

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

	2023	2022	2021
Capital Leases	$ 127,439	$ 234,850	$ 339,257
Bonds Payable	1,372,732	1,462,674	1,549,439
Net Pension Liability	694,654	607,474	250,709
	$ 2,194,825	$ 2,304,998	$ 2,139,405

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

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

The District paid the tractor capital lease in full during the year ended September 30, 2023.

Budgetary Highlights
For the fiscal year ended September 30, 2022, expenditures exceeded revenues by ($727,914).

The original budget was not amended for the year ended September 30, 2022. The two most significant variances between budget and actual for fiscal year 2022 was that the District spent significantly more on road, facility and equipment repairs and fuel than the amounts budgeted.

For the fiscal year ended September 30, 2023, expenditures exceeded revenues by $596,827. The decrease in fund balance was budgeted. The largest budget variances were maintenance and rebuilding dirt roads which expenditures were $475,197 more than budgeted and capital outlay which was $508,490 less than the amount budgeted.

Economic Factors and Next Year's Budgets and Other Events
For the year ended September 30, 2024 the District adopted an assessment of $425 per acre, which was $100 higher per acre than the year ended September 30, 2023 of $325 per acre.

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:

Daniel E. Santiago, Jr., Chairperson
475 Cabbage Palm Street, Clewiston, FL 33440
863-983-5797

CENTRAL COUNTY WATER CONTROL DISTRICT
STATEMENT OF NET POSITION
September 30, 2023

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents - unrestricted	$ 1,318,321
Cash and cash equivalents - restricted	2,300
Accounts receivable	165
Due from other governments	18,654
Inventory	26,441
Prepaid expenses and other	14,982
Total current assets	1,380,863
Non-current assets:	
Capital assets:	
Non-depreciable land	3,488
Depreciable buildings, equipment and machinery (net of $8,087,951 accumulated depreciation)	8,084,185
Total non-current assets	8,087,673
TOTAL ASSETS	9,468,536
DEFERRED OUTFLOWS OF RESOURCES	197,752
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	161,596
Current portion of long-term obligations	175,320
Total current liabilities	336,916
Non-current liabilities:	
Non-current portion of long-term obligations	2,019,505
TOTAL LIABILITIES	2,356,421
DEFERRED INFLOWS OF RESOURCES	59,160
NET POSITION	
Net investment in capital assets	6,587,502
Restricted	-
Unrestricted	663,205
TOTAL NET POSITION	$ 7,250,707

The accompanying notes are an integral part of this statement.

CENTRAL COUNTY WATER CONTROL DISTRICT
STATEMENT OF ACTIVITIES
Year Ended September 30, 2023

	Total Governmental Activities
EXPENSES	
Governmental Activities	
Physical environment	
Personnel services	$ 1,395,291
Operating expenses	1,915,954
Depreciation	487,124
Interest and fiscal charges	60,086
Total Governmental Activities	3,858,455
GENERAL REVENUES	
Maintenance taxes	2,596,035
Grant proceeds	5,000
Interest income	78,612
Gain on disposition of capital assets	-
Miscellaneous income	190,277
TOTAL GENERAL REVENUES	2,869,924
INCREASE (DECREASE) IN NET POSITION	(988,531)
NET POSITION - Beginning of the year	8,239,238
NET POSITION - End of the year	$ 7,250,707

The accompanying notes are an integral part of this statement.

CENTRAL COUNTY WATER CONTROL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUND
September 30, 2023

	General Fund	Total Governmental Funds
ASSETS		
Cash and cash equivalents	$ 1,318,321	$ 1,318,321
Restricted cash and cash equivalents	2,300	2,300
Accounts receivable	165	165
Due from other governments	18,654	18,654
Inventory	26,441	26,441
Prepaid expenses and other	14,982	14,982
TOTAL ASSETS	$ 1,380,863	$ 1,380,863
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable and accrued liabilities	$ 161,596	$ 161,596
Due to other governments	-	-
TOTAL LIABILITIES	161,596	161,596
FUND BALANCE		
General Fund:		
Non-spendable	41,423	41,423
Restricted	-	-
Assigned	974,942	974,942
Unassigned	202,902	202,902
TOTAL FUND BALANCE	1,219,267	1,219,267
TOTAL LIABILITIES AND FUND BALANCE	$ 1,380,863	$ 1,380,863

The accompanying notes are an integral part of this statement.

CENTRAL COUNTY WATER CONTROL DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUND - TO THE STATEMENT OF NET POSITION
September 30, 2023

		Amount
Total fund balance for governmental funds		$ 1,219,267
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Capital assets not being depreciated:		
Land and rights of way	3,488	
		3,488
Capital assets being depreciated:		
Building, equipment and machinery	16,172,136	
Less accumulated depreciation	(8,087,951)	
		8,084,185
Deferred outflows and deferred inflows are applied to future periods and, therefore, are not reported in the governmental funds.		
Deferred outflows - pension - FRS	136,035	
Deferred outflows - pension - HIS	61,717	
		197,752
Deferred inflows - pension - FRS	(31,796)	
Deferred inflows - pension - HIS	(27,364)	
		(59,160)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Net pension liability - FRS	(392,092)	
Net pension liability - HIS	(302,562)	
Bonds payable	(1,372,732)	
Capital lease payable - tractor	-	
Capital lease payable - motor grader	(92,400)	
Capital lease payable - 2 tractors	(35,039)	
Net OPEB liability	-	
		(2,194,825)
Total net position of governmental activities		$ 7,250,707

The accompanying notes are an integral part of this statement.

CENTRAL COUNTY WATER CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
Year Ended September 30, 2023

	General Fund	Total Governmental Funds
REVENUES		
Maintenance taxes	$ 2,596,035	$ 2,596,035
Grant proceeds	5,000	5,000
Interest	78,612	78,612
Miscellaneous	190,277	190,277
TOTAL REVENUES	2,869,924	2,869,924
EXPENDITURES		
Current		
Physical Environment		
Personnel services	1,242,848	1,242,848
Operating expenditures	1,915,954	1,915,954
	3,158,802	3,158,802
Capital outlay	50,510	50,510
Debt service		
Principal retired	197,353	197,353
Interest charges	60,086	60,086
TOTAL EXPENDITURES	3,466,751	3,466,751
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(596,827)	(596,827)
OTHER FINANCING SOURCES		
Proceeds from issuance of capital lease	-	-
TOTAL OTHER FINANCING SOURCES	-	-
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	(596,827)	(596,827)
FUND BALANCE - BEGINNING	1,816,094	1,816,094
FUND BALANCE - ENDING	$ 1,219,267	$ 1,219,267

The accompanying notes are an integral part of this statement.

CENTRAL COUNTY WATER CONTROL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
Year Ended September 30, 2023

		Amount
Net change (excess of revenues and other financing sources over (under) expenditures) in fund balance - total governmental funds		$ (596,827)
The increase (decrease) in net position reported for governmental actvities in the Statement of Activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Plus: Expenditures for capital assets	50,510	
Less: Proceeds from disposition of capital assets	-	
Plus: Gain on disposition of capital assets	-	
Less: Current year depreciation	(487,124)	
		(436,614)
The issuance of debt is reported as a financing source in governmental funds and thus contributes to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the Statement of Net Position.		
Proceeds from capital leases	-	
Bond principal payments	89,942	
Capital lease principal payments	107,411	
		197,353
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
(Increase) decrease in net pension liability - FRS	24,032	
(Increase) decrease in net pension liability - HIS	(111,212)	
Increase (decrease) in deferred outflows - pensions	(41,821)	
(Increase) decrease in deferred inflows - pensions	(23,442)	
(Increase) decrease in net OPEB liability	-	
		(152,443)
Change increase (decrease) in net position of governmental activities		$ (988,531)

The accompanying notes are an integral part of this statement.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and nature of activities

Central County Water Control District (the "District") is an independent special district and was created on May 21, 1970, under Laws of Florida Chapter 70-702 by a Special Act of the Florida Legislature under the provisions of Florida Statute, Chapter 298. Laws of Florida Chapter 90-413, Special Acts of Florida Legislature, amended Laws of Florida Chapter 70-702 to allow Central County Water Control District to construct, acquire by donation or purchase recreational facilities and areas for the benefit of the District residents. The District was also established for the purpose of reclaiming, draining, and irrigating the land within the District. The District's establishing legislation was codified, re-enacted, amended and repealed by the Laws of Florida Chapter 2000-415. Laws of Florida Chapter 2007-315 changed the method in which District Board Members are elected. Laws of Florida Chapter 2013-263 changed the District's boundaries. The District is located in Hendry County which is in south central Florida. The District includes approximately 7,965 taxable acres.

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

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Summary of significant accounting policies

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

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

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

Reporting entity

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

Government-wide Financial Statements

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

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Government-wide Financial Statements, continued

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

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

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

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

Fund Financial Statements

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Fund Financial Statements, continued

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

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

Governmental Funds

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

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

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

Measurement Focus and Basis of Accounting

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Measurement Focus and Basis of Accounting, continued

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Maintenance taxes and non-ad valorem taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

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

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

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Non-current Government Assets/Liabilities

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

Major Funds

The District reports the following major governmental funds:

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

Budgetary Information

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

Cash

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

Inventory

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

Capital Assets

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Capital Assets, continued

All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date donated. Public domain (infrastructure) capital assets consist of certain improvements other than buildings, including roads, water control structures, weirs, culverts, and excavations, are capitalized. The District has not included the cost of substantially all of the land and the cost of land under and surrounding its canals or the infrastructure type assets into the "land" category of capital assets. Since the District continually maintains its canals and drainage systems, it has elected not to depreciate such systems. Additionally, there is no cost effective method in which to value such land since most of the respective land was donated to the District. 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:

Asset	Years
Buildings and Improvements	10-40
Equipment and Machinery	5-40

Budgets and Budgetary Accounting

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Budgets and Budgetary Accounting, continued

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

1. During the spring of each year, the General Manager and/or Treasurer submits to the Board of Supervisors a proposed operating budget for the fiscal year commencing on the upcoming October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer/landowner comments.
3. The budget is adopted by approval of the Board of Supervisors.
4. Budget amounts, as shown in these basic financial statements, are as originally adopted or as amended by the Board of Supervisors.
5. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America.
6. The level of control for appropriations is exercised at the fund level.
7. Appropriations lapse at year-end.
8. The Board of Supervisors approved one budget amendment during the fiscal year ended September 30, 2023.

Compensated Absences

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

Encumbrances

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Due From Other Governments

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

Fund Equity

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

Pensions

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

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

Deferred Outflows/Inflows of Resources

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Deferred Outflows/Inflows of Resources, continued

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

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

Management Estimates

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

Leases

During the year ended September 30, 2023, the District adopted GASB Statement 87 - Leases. This Statement requires the recognition of certain lease assets and liabilities in the Statement of Net Position for leases that previously were classified as operating leases. The District determined that it has no operating lease agreements, therefore, there was no recording requirement related to GASB 87 at September 30, 2023.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

New Accounting Guidance

GASB 94: *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

In March 2020, the GASB issued Statement No. 94 (*Public-Private and Public-Public Partnerships and Availability Arrangements)* to bring a uniform guidance on how to report public-private and public-public partnership arrangements, will recognize receivables for installment payments, deferred inflows of resources, and, when applicable, capital assets. Operators will recognize liabilities for installment payments and intangible right-to-use assets, and when applicable, deferred outflows of resources and liabilities for assets being transferred.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangement in which a government compensates an operator for services such as designing, constructing, financing, maintaining, or operating an underlying asset for a period of time in an exchange or exchange-like transaction. The provisions of this Statement are effective for the District's financial statements for the year ended September 30, 2023. The District, however, had no arrangements that met this Statement's reporting criteria.

GASB 96: *Subscription-Based Information Technology Arrangements (SBITAs)*

In May 2020, the GASB issued Statement No. 96 (*Subscription-Based Information Technology Arrangements (SBITAs)),* which defined the SBITAs and provides accounting and financial reporting for SBITAs by governments. This Statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for the SBITAs. The District is currently evaluating the impact of this Statement on the financial statements when adopted. The provisions of this Statement are effective for the District's financial statements for the year ended September 30, 2023. The District, however, had no arrangements that met this Statement's reporting criteria and/or the related arrangement costs were considered immaterial.

Subsequent Events

Subsequent events have been evaluated through May 31, 2024, which is the date the financial statements were available to be issued.

NOTE B - CASH AND CASH EQUIVALENTS

At September 30, 2023, cash and cash equivalents were $1,320,621 which was comprised of unrestricted cash of $1,318,321 including petty cash of $25 and $2,300 cash restricted for debt service.

Deposits

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

At September 30, 2023, the carrying amount of the District's deposits were $1,320,596. The bank balances were $1,360,472. 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.

NOTE C - CAPITAL ASSETS ACTIVITY

The following is a summary of changes in capital assets activity for the year ended September 30, 2023:

	Balance October 1 2022	Increases/ Additions	Decreases/ Retirements	Adjustments/ Reclassifications	Balance September 30 2023
Capital Assets Not Being Depreciated:					
Land	$ 3,488	$ -	$ -	$ -	$ 3,488
CIP	-	-	-	-	-
Total Capital Assets Not Being Depreciated	3,488	-	-	-	3,488
Capital Assets Being Depreciated:					
Buildings	413,634	-	-	-	413,634
Other improvements	12,796,077	-	-	-	12,796,077
Equipment & Machinery	2,911,915	50,510	-	-	2,962,425
Total Capital Assets Being Depreciated	16,121,626	50,510	-	-	16,172,136
Less Accumulated Depreciation:					
Buildings	(194,354)	(10,426)	-	-	(204,780)
Other improvements	(5,722,623)	(167,149)	-	-	(5,889,772)
Equipment & Machinery	(1,683,850)	(309,549)	-	-	(1,993,399)
Total Accumulated Depreciation	(7,600,827)	(487,124)	-	-	(8,087,951)
Total Capital Assets Being Depreciated, Net	8,520,799	(436,614)	-	-	8,084,185
Capital Assets, Net	$ 8,524,287	$ (436,614)	$ -	$ -	8,087,673
				Less: Related Debt	(1,500,171)
				Net Investment in Capital Assets	$ 6,587,502

Depreciation expense was charged to the following functions during the year ended September 30, 2023:

	Amount
General Government - Water Control and Roads	$ 468,006
General Government - Recreation	19,118
Total Depreciation Expense	$ 487,124

The cost and related accumulated depreciation of capital assets under capital lease at September 30, 2023, was $387,542 and $117,213, respectively. Depreciation expense on those capital assets of $38,754 was included in total depreciation noted above for the year ended September 30, 2023.

NOTE D - LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended September 30, 2023:

	Balance October 1 2022	Additions	Retirements And Adjustments	Balance September 30 2023	Amounts Due Within One Year
Net Pension Liability - FRS	$ 416,124	$ -	$ (24,032)	$ 392,092	$ -
Net Pension Liability - HIS	191,350	111,212	-	302,562	-
Total Pension Liability	607,474	111,212	(24,032)	694,654	-
Net OPEB Liability	-	-	-	-	-
Bonds Series 2015	1,462,674	-	(89,942)	1,372,732	94,231
Capital Lease - Tractor	31,206	-	(31,206)	-	-
Capital Lease - Motor Grader	137,276	-	(44,876)	92,400	46,050
Capital Lease - 2 Tractors	66,368	-	(31,329)	35,039	35,039
	$ 2,304,998	$ 111,212	$ (221,385)	$ 2,194,825	$ 175,320

Long-term liabilities consists of the following at September 30, 2023:

	Amount
Net pension obligation - FRS pension plan. This amount is actuarially determined through calculation based upon the audited financial statements of the Florida FRS Plan.	$ 392,092
Net pension obligation - HIS plan. This amount is actuarially determined through calculation based upon the audited financial statements of the Florida FRS Plan.	302,562
$2,000,000 bonds payable, Series 2015. Principal and interest payable semi annually on January 15 and July 15. Interest accrues at a fixed rate of 3.56% through May 26, 2025, and thereafter, at 2.28% plus .67% (10 year swap rate reported in Federal Reserve Daily report). Collateralized by non-ad valorem revenue. Final payment due May 27, 2035.	1,372,732
$149,814 capital lease payable in five (5) annual payments to a financial institution in the amount of $32,557, including interest at 4.25% collateralized by a Tractor. Principal and interest payments began June 15, 2019, with the final payment due June 15, 2023.	-
$230,491 capital lease payable in five (5) annual payments to a financial institution in the amount of $49,131, including interest at 3.291% collateralized by the respective Motor Grader. Principal and interest payments began May 4, 2021, with the final payment due May 4, 2025.	92,400
$157,051 capital lease payable in sixty (60) monthly payments to a financial institution in the amount of $2,815, including interest at 2.934% collateralized by the respective two (2) Tractors. Principal and interest payments began November 21, 2019, with the final payment due October 21, 2024.	35,039
Net OPEB liability - GASB No. 75	-
Total	2,194,825
Less Current Portion	(175,320)
Long Term Portion	$ 2,019,505

NOTE D - LONG-TERM LIABILITIES, CONTINUED

Capital Leases

The District is leasing two (2) tractors and one motor grader through capital leases at September 30, 2023.

The future minimum capital lease payments as of September 30, 2023 are:

Years ending September 30	Amounts
2024	$ 84,782
2025	49,130
Total minimum lease payments	133,912
Less: amount representing interest	(6,473)
Present value of minimum lease payments	$ 127,439

Lease related interest expense for the year ended September 30, 2023, was $8,060.

Bonds Payable

On May 27, 2015, the District issued $2,000,000 Bonds payable, Series 2015 due July 15, 2035, with a fixed interest rate of 3.56% through May 26, 2025, and thereafter a fixed rate of interest determined by the following formula: 2.28% + 0.67 (10 year swap rate as reported in the Federal Reserve daily H.15 report), calculated on the basis of a 360-day year for the actual number of days elapsed. The Series 2015 Bonds were issued to finance reconstruction of reservoir levee improvements Reservoir Levee Completion Project. The project reconstructed the banks in those various locations where the District had failures from underlying soils or from surface erosion problems. Interest on and principal of the Bonds are paid semi-annually on each January 15 and July 15, commencing on January 15, 2016, through and including the Maturity Date of May 27, 2035, subject to prepayment by the District prior to the Maturity Date. The bonds are collateralized by annual non ad valorem revenue.

The Bond covenants impose certain restrictions and requirements on the District. At September 30, 2023, the District was in compliance with those financially significant covenants.

Bond related interest expense for the year ended September 30, 2023 was $52,026.

NOTE D - LONG-TERM LIABILITIES, CONTINUED

Bonds Payable, continued

At September 30, 2023, the scheduled debt service requirements on the Bonds payable were as follows:

Years Ending September 30	Governmental Activities		
	Principal	Interest	Total
2024	$ 94,231	$ 47,737	$ 141,968
2025	97,615	44,353	141,968
2026	101,121	40,847	141,968
2027	104,753	37,215	141,968
2028	108,516	33,452	141,968
2029-2033	603,919	105,924	709,843
2034-2035	262,577	10,912	273,489
	$ 1,372,732	$ 320,440	$ 1,693,172

NOTE E - MAINTENANCE TAXES

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

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

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

NOTE E - MAINTENANCE TAXES, CONTINUED

Under the provisions of Chapter 298.54 of the Florida Statutes, the Board of Supervisors of the District levied the following uniform maintenance taxes on land within the District to pay the operating costs of the District for the year ended September 30, 2023.

Tax revenue from this levy is used for the maintenance and operating costs of the District. For the year ended September 30, 2023, the District's assessed maintenance taxes were $325 per acre for Hendry County. These amounts are recorded as revenue when they are received.

NOTE F - FUND BALANCE

Fund balance was noted as nonspendable for the following purposes at September 30, 2023:

Nonspendable fund balance - General Fund	Amount
Inventory	$ 26,441
Deposits	809
Prepaid Expenses	14,173
	$ 41,423

Fund balance was assigned for the following purposes at September 30, 2023:

Assigned fund balance - General Fund	Amount	
Debt Service	$ 2,300	*
Emergency	250,000	
Equipment	82,911	
Operations	639,731	
Total Assigned Fund Balance	$ 974,942	

* Restricted cash

NOTE G - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN

General Information about the Florida Retirement System

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

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

General Information about the Florida Retirement System - continued

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

Essentially all regular employees of the District are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer defined benefit plans (Pension - FRS and HIS Plans) and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information dated June 30, 2023, is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

The District's total pension expense, $249,602 for the year ended September 30, 2023, is recorded in the government-wide financial statements. Total District retirement actual contribution expenditures were $97,159, $72,971 and $56,448 for the years ended September 30, 2023, 2022 and 2021, respectively. The District contributed 100% of the required contributions.

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

FRS Pension Plan

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

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

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

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

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

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for those members classified as special risk who are eligible for normal retirement benefits at age 55 and 6 years of service or at any age after 25 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 with 8 years of service or at any age after 30 years of service. However, effective July 1, 2023, for special risk who enrolled on or after July 1, 2011, normal retirement date changed to the earliest of 25 years of creditable service of age 55 and six years of creditable service. Members of both Plans (Pension and HIS) may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost of living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may elect to participate in DROP at any time after reaching normal retirement date.

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

FRS Pension Plan, continued

Effective July 1, 2023, an employee may participate in DROP for a period not to exceed 96 months (8 years) after electing to participate except for certain instructional personnel who can participate for 120 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. Interest accrues at 4% on DROP accumulation held on or after July 1, 2023, and at 1.3% prior. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits. The restricted 12 month election window was removed. Participants may elect to enter DROP at anytime after becoming fully vested and reaching normal retirement age.

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

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

Class, Initial Enrollment, and Retirement Age/Years of Service	%Value
Regular Class and elected members initially enrolled before July 1, 2011	
Retirement up to age 62, or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
Regular Class and elected members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68

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

FRS Pension Plan, continued

Class, Initial Enrollment, and Retirement Age/Years of Service	%Value
Special Risk Regular	
Service from December 1, 1970, through September 30, 1974	2.00
Service on or after October 1, 1974	3.00
Senior Management Service Class	2.00
Elected Officers' Class	3.00

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

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the year ended September 30, 2023 were as follows:

	Percent of Gross Salary*		
Class (2)	Employee	Employer (1)	Employer (3)
Florida Retirement System, Regular	3.00	11.91	13.57
Florida Retirement System, Senior Management Service	3.00	31.57	34.52
Florida Retirement System, Special Risk	3.00	27.83	32.67
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	0.00	18.60	21.13
Florida Retirement System, Reemployed Retiree	(2)	N/A	N/A
Florida Retirement System, Elected Official	3.00	57.00	58.68

Notes:

(1) Employer rates include 1.66 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .06 percent for administrative costs for the Investment Plan. Rates for 7/1/22 - 6/30/23.

(2) Contribution rates are dependent upon retirement class in which reemployed.

(3) Employer rates include 2.00 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .06 percent for administrative costs for the Investment Plan. Rates for 7/1/23 - 6/30/24.

* As defined by the Plan.

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

FRS Pension Plan, continued

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Pension Plan. At September 30, 2023 (measurement date) , the District reported an FRS pension liability of $392,092 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The District's proportionate share of the net pension liability was based on the District's 2022-23 fiscal year contributions relative to the total 2022-23 fiscal year contributions of all participating members. At September 30, 2023, the District's proportionate share was .000983998 percent, which was a decrease of .000134374 percent from its proportionate share measure as of September 30, 2022.

For the year ended September 30, 2023, the District recognized FRS pension expense of $212,162. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 36,814	$ -
Change of assumptions	25,561	-
Net difference between projected and actual earnings on pension plan investments	16,375	-
Changes in proportion and differences between District contributions and proportionate share of contributions	46,656	-
District contributions subsequent to the measurement date	10,629	31,796
Total	$ 136,035	$ 31,796

The deferred outflows of resources related to the FRS pension, totaling $10,629, resulting from District contributions subsequent to the measurement date, will be recognized as a reduction on the net pension liability in the fiscal year ending September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension will be recognized in pension expense over the remaining service period of 5.3 years as follows:

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

FRS Pension Plan, continued

Fiscal Years Ending September 30	Amount
2024	$ 22,055
2025	22,055
2026	22,055
2027	22,054
2028	17,961
Thereafter	(12,570)
Total	$ 93,610

Actuarial Assumptions. The total pension liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	July 1, 2023
Measurement date	June 30, 2023
Inflation	2.40 percent
Real payroll growth	0.85 percent
Salary increases	3.25 percent, average, including inflation
Investment rate of return	6.70 percent, net of pension plan investment expense, including inflation
Acuarial cost method	Individual entry age

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

The actuarial assumptions used in the July 1, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

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

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

FRS Pension Plan, continued

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	2.9%	2.9%	1.1%
Fixed income	19.80%	4.5%	4.4%	3.4%
Global equity	54.00%	8.7%	7.1%	18.1%
Real estate (property)	10.30%	7.6%	6.6%	14.8%
Private equity	11.10%	11.9%	8.8%	26.3%
Strategic investments	3.80%	6.3%	6.1%	7.7%
Total	100.00%			
Assumed inflation - Mean		2.40%		1.40%

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

Money-weighted Rate of Return. The annual money-weighted rate of return on the FRS Pension Plan investments was 7.58% for the Plan year ended June 30, 2023.

Discount Rate. The discount rate used to measure the total pension liability was 6.70 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.70 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.70 percent) or 1-percentage-point higher (7.70 percent) than the current rate:

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
District's proportionate share of the net pension liability	$ 669,773	$ 392,092	$ 159,779

Pension Plan Fiduciary Net Position. Detailed information about pension plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report ("FRS CAFR") dated June 30, 2023.

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

FRS Pension Plan, continued

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

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

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

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

Payables to the Pension Plan. At September 30, 2023, the District reported a payable of $1,242 for the outstanding amount of contributions in the pension plan required for the year ended September 30, 2023.

HIS Plan

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

Benefits Provided. Prior to July 1, 2023, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by $5. The payments are at least $30 but not more than $150 per month, pursuant to Section 112.363, Florida Statutes. Subsequent to July 1, 2023, eligible retirees and beneficiaries receive $7.50 for each year of service monthly. Maximum benefit is $225 per month or $2,700 annually. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

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

HIS Plan, continued

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. Prior to July 1, 2023, the contribution rate was between 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. Subsequent to July 1, 2023, the rate was 2%. The District contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to the HIS Plan. At September 30, 2023, the District reported a HIS net pension liability of $302,562 for its proportionate share of the net HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The District's proportionate share of the net HIS liability was based on the District's 2022-23 fiscal year contributions relative to the total 2022-23 fiscal year contributions of all participating members. At September 30, 2023, the District's proportionate share was .001905144 percent, which was an increase of .000098525 percent from its proportionate share measured as of September 30, 2022.

For the fiscal year ended September 30, 2023, the District recognized HIS expense of $37,440. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 4,429	$ 710
Change of assumptions	7,955	26,218
Net difference between projected and actual earnings on HIS pension plan investments	156	-
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	45,387	436
District contributions subsequent to the measurement date	3,790	-
Total	$ 61,717	$ 27,364

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

HIS Plan, continued

The deferred outflows of resources related to HIS, totaling $3,790, resulting from District contributions subsequent to the measurement date, will be recognized as a reduction on the net pension liability in the fiscal year ending September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense over the remaining service period of 6.3 years as follows:

Fiscal Years Ending September 30	Amount
2024	$ 5,777
2025	5,777
2026	5,777
2027	5,777
2028	5,738
Thereafter	1,717
Total	$ 30,563

Actuarial Assumptions. The total pension liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Real Payroll Growth	0.85 percent
Salary Increases	3.25 percent, average, including inflation
Municipal Bond Rate	3.65 percent
Actuarial Cost Method	Individual entry age

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

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

Discount Rate. The discount rate used to measure the total HIS liability was 3.65 percent. In general, the discount rate for calculating the total HIS liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the

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

HIS Plan, continued

municipal bond rate selected by the plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the District's Proportionate Share of the Net HIS Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net HIS liability calculated using the discount rate of 3.65 percent, as well as what the District's proportionate share of the net HIS liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65 percent) or 1-percentage-point higher (4.65 percent) than the current rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
District's proportionate share of the net HIS liability	$ 345,176	$ 302,562	$ 267,238

Pension Plan Fiduciary Net Position. Detailed information about the HIS plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Annual Comprehensive Financial Report ("FRS ACFR") dated June 30, 2023.

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

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

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

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

Payables to the Pension Plan. At September 30, 2023, the District reported a payable of $219 for the outstanding amount of contributions to the HIS plan required for the fiscal year ended September 30, 2023.

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

FRS - Defined Contribution Pension Plan

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the plan, including FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2022-23 fiscal year were as follows:

	Percent of Gross Salary*		
Class (2)	Employee	Employer (1)	Employer (3)
Florida Retirement System, Regular	3.00	6.3	8.3
Florida Retirement System, Senior Management Service	3.00	7.67	9.67
Florida Retirement System, Special Risk	3.00	14.0	16.0
Florida Retirement System, Elected Official	3.00	11.31	13.34

Notes:

(1) Employer rates include 1.66 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .06 percent for administrative costs for the Investment Plan. Rates for 7/1/22 - 6/30/23.

(2) Contribution rates are dependent upon retirement class in which reemployed.

(3) Employer rates include 2.0 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .06 percent for administrative costs for the Investment Plan. Rates for 7/1/23 - 6/30/24.

* As defined by the Plan.

Effective July 1, 2023, employer contribution rates increased by 2% in all membership classes.

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

FRS - Defined Contribution Pension Plan, continued

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5 year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2023, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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

The District's Investment Plan pension expense totaled $58,397 for the fiscal year ended September 30, 2023, which is included in the total pension expense.

Payables to the Investment Plan. At September 30, 2023, the District reported a payable of $0 for the outstanding amount of contributions to the Plan required for the fiscal year ended September 30, 2023.

NOTE H - RISK MANAGEMENT

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

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

NOTE I - CONTINGENCIES

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

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

Based on the actuarial calculation performed in fiscal year 2019, it was determined that the cost of the post-employment benefits are no longer material to the District as the District's health insurance premiums are currently age banded. Therefore, there is no implicit subsidy. The District pays no portion of retiree health insurance premiums. Therefore, there is no explicit subsidy. No disclosures for post-employment benefits have been included in the current fiscal year financial statements. There were no retirees participating in the health insurance plan as of September 30, 2023.

NOTE K - SUBSEQUENT EVENT

Subsequent to the year ended September 30, 2023, the Board approved the purchase of a road pavement roller for approximately $160,000.

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

CENTRAL COUNTY WATER CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
Year Ended September 30, 2023

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Maintenance taxes	$ 2,644,595	$ 2,644,595	$ 2,596,035	$ (48,560)
Grant proceeds	-	-	5,000	5,000
Interest	24,000	24,000	78,612	54,612
Miscellaneous	145,500	145,500	190,277	44,777
Prior year budgeted carryforward	2,115,199	1,816,094	-	(1,816,094)
TOTAL REVENUES	4,929,294	4,630,189	2,869,924	(1,760,265)
EXPENDITURES				
Current - Physical Environment				
Personnel services	967,000	967,000	1,242,848	(275,848)
Operating expenditures				
Discounts & commissions	89,000	89,000	108,374	(19,374)
Assessing fees	8,800	8,800	12,944	(4,144)
Security	1,250	1,250	1,016	234
Supervisor Fees	3,000	3,000	2,750	250
Maintenance and rebuilding dirt roads	390,000	390,000	865,197	(475,197)
Reservoir maintenance	3,000	3,000	-	3,000
Reservoir security	5,000	5,000	42,938	(37,938)
Street signs	3,000	3,000	29,456	(26,456)
Canal & levees - maintenance & supplies	18,000	18,000	18,500	(500)
Supplies	90,000	90,000	55,261	34,739
Other contracted services	87,000	87,000	92,108	(5,108)
Vending machine supplies	-	-	2,682	(2,682)
Professional services	185,000	185,000	163,709	21,291
Employee training	3,000	3,000	-	3,000
Election	3,000	3,000	2,667	333
Fuel	100,000	100,000	121,325	(21,325)
Repairs - equipment and vehicles	90,000	90,000	116,608	(26,608)
Repairs - clubhouse and pool	25,000	25,000	100,049	(75,049)
Insurance	64,000	64,000	62,425	1,575
Office expense	3,500	3,500	790	2,710
Legal advertising	600	600	951	(351)
Utilities	32,000	32,000	42,667	(10,667)
Christmas party	4,000	4,000	4,127	(127)
Communications	14,000	14,000	21,152	(7,152)
Sanitation	12,000	12,000	12,916	(916)
Uniforms	10,000	10,000	8,273	1,727
Miscellaneous expense	-	-	19,448	(19,448)
Summer Camp-other	26,000	26,000	7,621	18,379
Operating expenditures	1,270,150	1,270,150	1,915,954	(645,804)

The accompanying notes are an integral part of this statement.

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

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Capital outlay	559,000	559,000	50,510	508,490
Debt Service				
Principal retired	240,035	240,035	197,353	42,682
Interest charges	51,004	51,004	60,086	(9,082)
Contingency	2,092,105	1,793,000	-	1,793,000
TOTAL EXPENDITURES	5,179,294	4,880,189	3,466,751	1,413,438
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(250,000)	(250,000)	(596,827)	(346,827)
OTHER FINANCING SOURCES				
Proceeds from issuance of capital leases	250,000	250,000	-	(250,000)
TOTAL OTHER FINANCING SOURCES	250,000	250,000	-	(250,000)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	$ -	$ -	(596,827)	$ (596,827)
FUND BALANCE - BEGINNING			1,816,094	
FUND BALANCE - ENDING			$ 1,219,267	

The accompanying notes are an integral part of this statement.

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

	2023	2022	2021	2020
District's proportion of the net pension liability	0.000983998%	0.001118372%	0.000923352%	0.000863443%
District's proportionate share of the net pension liability	$ 392,092	$ 416,124	$ 69,749	$ 374,229
District's covered-employee payroll	$ 848,586	$ 727,441	$ 601,204	$ 478,766
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	46.21%	57.20%	11.60%	78.17%
Plan fiduciary net position as a percentage of the total pension liability	82.38%	82.89%	96.40%	78.85%

Notes: (1) The amounts presented for each fiscal year were determined as of September 30.
(2) Adoption of GASB No. 68 occcured in FY 2015.

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

	2023	2022	2021	2020
Contractually required contribution	$ 82,585	$ 62,755	$ 47,981	$ 32,367
Contributions in relation to the contractually required contribution	82,585	62,755	47,981	32,367
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 848,586	$ 727,441	$ 601,204	$ 478,766
Contributions as a percentage of covered-employee payroll	9.73%	8.63%	7.98%	6.76%

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

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

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

2019	2018	2017	2016	2015	2014*
0.000830511%	0.000849391%	0.000757399%	0.000882782%	0.000955910%	0.000000000%
$ 286,017	$ 255,841	$ 224,034	$ 222,903	$ 123,468	$ -
$ 462,822	$ 410,203	$ 400,138	$ 411,038	$ 359,961	$ -
61.80%	62.37%	55.99%	54.23%	34.30%	0.00%
82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

2019	2018	2017	2016	2015	2014*
$ 30,126	$ 28,484	$ 22,889	$ 23,483	$ 23,669	$ -
30,126	28,484	22,889	23,483	23,669	-
$ -	$ -	$ -	$ -	$ -	$ -
$ 462,822	$ 410,203	$ 400,138	$ 411,038	$ 359,961	$ -
6.51%	6.94%	5.72%	5.71%	6.58%	0.00%

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

	2023	2022	2021	2020
District's proportion of the net pension liability	0.001905144%	0.001806619%	0.001475236%	0.001395782%
District's proportionate share of the net pension liability	$ 302,562	$ 191,350	$ 180,960	$ 170,423
District's covered-employee payroll	$ 848,586	$ 727,441	$ 601,204	$ 478,766
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	35.65%	26.30%	30.10%	35.60%
Plan fiduciary net position as a percentage of the total pension liability	4.12%	4.81%	3.56%	3.00%

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

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

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

	2023	2022	2021	2020
Contractually required contribution	$ 14,574	$ 10,216	$ 8,467	$ 6,629
Contributions in relation to the contractually required contribution	14,574	10,216	8,467	6,629
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 848,586	$ 727,441	$ 601,204	$ 478,766
Contributions as a percentage of covered-employee payroll	1.72%	1.40%	1.41%	1.38%

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

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

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

2019	2018	2017	2016	2015	2014*
0.001337789%	0.001326232%	0.001193711%	0.001353107%	0.001359789%	0.000000000%
$ 149,685	$ 140,370	$ 127,637	$ 157,699	$ 138,677	$ -
$ 462,822	$ 410,203	$ 400,138	$ 411,038	$ 359,961	$ -
32.34%	34.22%	31.90%	38.37%	38.53%	0.00%
2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

2019	2018	2017	2016	2015	2014*
$ 7,531	$ 7,121	$ 6,084	$ 6,623	$ 5,804	$ -
7,531	7,121	6,084	6,623	5,804	-
$ -	$ -	$ -	$ -	$ -	$ -
$ 462,822	$ 410,203	$ 400,138	$ 411,038	$ 359,961	$ -
1.63%	1.74%	1.52%	1.61%	1.61%	0.00%

Changes of Assumptions

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

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments remained at 6.70%. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.65% was increased from 3.54% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both plans were based on the Generational PUB 2010 with Projection Scale MP-2018.

Florida Retirement System Pension Plan

There were no changes in actuarial assumptions. As of June 30, 2023, the inflation rate assumption remained at 2.40 percent, the real payroll growth assumption remained at 0.85 percent, and the overall payroll growth rate assumption remained at 3.25 percent. The long-term expected rate of return remained at 6.70 percent.

Health Insurance Subsidy Pension Plan

The municipal rate used to determine total pension liability increased from 3.54 percent to 3.65 percent.

Pension Expense and Deferred Outflows/Inflows of Resources

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

- Differences between expected and actual experience with regard to economic and demographic factors - amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)

- Changes of assumptions or other inputs - amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)

- Changes in proportion and differences between contributions and proportionate share of contributions - amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)

- Differences between expected and actual earnings on pension plan investments - amortized over five years

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

The average expected remaining service life of all employees provided with pensions through the pension plans at September 30, 2023, changed from 5.5 years (FY22), to 5.3 years (FY23) for FRS and 6.4 years (FY 22) to 6.3 years (FY 23) for HIS.

ADDITIONAL REPORTS

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America, the basic financial statements of the governmental activities and each major fund of Central County Water Control District (the "District") as of and for the year ended September 30, 2023, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents and have issued our report thereon dated May 31, 2024.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the basic financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of

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

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

We did, however, note certain other matters that we have reported in our Independent Auditor's Report to Management dated May 31, 2024.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Central County Water Control District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards.

See matters noted in our Independent Auditor's Report to Management dated May 31, 2024.

Purpose of This Report

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

Tuscan & Company, P.A.

TUSCAN & COMPANY, P.A.
Fort Myers, Florida
May 31, 2024

TUSCAN
& Company, PA
Certified Public Accountants & Consultants

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

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

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

We have examined Central County Water Control District's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2023. Management is responsible for Central County Water Control District's compliance with those requirements. Our responsibility is to express an opinion on Central County Water Control District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Central County Water Control District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Central County Water Control District's compliance with specified requirements.

In our opinion, Central County Water Control District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

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

Tuscan & Company, P.A.

TUSCAN & COMPANY, P.A.
Fort Myers, Florida
May 31, 2024

INDEPENDENT AUDITOR'S REPORT TO MANAGEMENT

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

We have audited the accompanying basic financial statements of Central County Water Control District (the "District") as of and for the year ended September 30, 2023, and have issued our report thereon dated May 31, 2024.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America and Chapter 10.550, Rules of the Florida Auditor General. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards and Chapter 10.550, Rules of the Florida Auditor General. Disclosures in those reports, which are dated May 31, 2024, should be considered in conjunction with this report to management.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter included the following information, which is not included in the aforementioned auditor's report:

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The status of the financially significant prior year comments is noted below.

- Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. Our recommendations were noted herein.

- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we noted no such items in our report to management dated May 31, 2024.

- Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit in the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The District discloses this information in the notes to the financial statements.

- Section 10.554(1)(i)5.a., Rules of the Auditor General, requires a statement be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

- Pursuant to Sections 10.554(1)(i)5.b and 10.556(7), Rules of the Auditor General, we have applied financial condition assessment procedures pursuant to Rule 10.556(8). It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. In connection with our audit, we determined that the District did meet certain of the criteria of a deteriorating financial condition described in Auditor General Rule Section 10.554(1)(i)(5).a as disclosed in our Independent Auditor's Report to Management comment 2022-2.

- Pursuant to Section 10.554(1)(i)5.b.2, Rules of the Auditor General, if a deteriorating financial condition(s) is noted then a statement is so required along with the conditions causing the auditor to make such a conclusion. No such conditions were noted.

- Pursuant to Section 10.554(1)(i)5.c., Rules of the Auditor General, requires a statement indicating a failure, if any, of a component unit Special District to provide financial information necessary to a proper reporting of the component unit within the audited financial statements of this entity (F.S. Section 218.39(3)(b)). There are no known component special districts required to report within these financial statements.

- Pursuant to Section 10.554(l)(i)6, Rules of the Auditor General, requires disclosures of certain unaudited data. See Exhibit 2.

- Pursuant to Section 10.554(l)(i)7, Rules of the Auditor General, requires an independent special district that imposes ad valorem taxes to disclose certain related unaudited data. See Exhibit 2.

- Section 10.554(l)8, Rules of the Auditor General, requires an independent special district that imposes a non-ad valorem special assessment to disclose certain unaudited data. See Exhibit 2.

- Section 10.556(10)(a), Rules of the Auditor General, requires that the scope of our audit to determine the District's compliance with the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the District complied with Section 218.415, Florida Statutes as reported in our Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes dated May 31, 2024, included herein.

PRIOR YEAR COMMENTS:

2022-1 Budget Carryforward Not Amended in Budget

During the audit, it was noted that the budget did not include an amendment of the current year's fund balance carryover to adjust to the prior year audited fund balance per Florida Statute 189.016(3).

We recommend every year the current year fund balance carryover is adjusted to the prior year audited fund balance amount.

2023 Addendum

We noted the budget was properly amended with the carryover being adjusted to the prior year audited fund balance amount. Comment has been resolved.

2022-2 Financial Condition Should be Monitored

During the September 30, 2022 audit, we noted that the District has had to use approximately $1,475,000 of its fund balance reserves to cover its operational costs over the last three fiscal years. This use of reserves represents 45% of its 2019 fund balance reserve. We did note the District raised its annual assessment rate in fiscal year 2022 by $30 per acre and in fiscal year 2023 by $75 per acre. We also noted the fiscal year 2023 is budgeted as an approximate $23,000 expenditures over revenue.

These factors indicate a deteriorating financial condition and it does indicate the need to monitor the District's financial condition. It should be noted the use of the reserves was Board approved and budgeted. At September 30, 2022, the District's fund balance was $1,816,094. Of this balance approximately $980,000 is set aside for required

reserves. Therefore, the District's unassigned available fund balance was approximately $734,000 at September 30, 2022. Additionally, we are aware of current inflationary costs affecting the District's operations.

We recommend the District consider continued assessment increases to offset such costs and preserve existing reserves as well as focused monitoring of the annual expenditures and fund balance.

2023 Addendum

We noted the budget for fiscal year 2024 was balanced. In addition, the District increased the annual assessment rate for fiscal year 2023 by $75 per acre and $100 per acre in FY 24. However, the District expended 33% ($596,827) of its beginning fund balance ($1,816,094) during the year ended September 30, 2023. The District has fund balance of $1,219,267 at September 30, 2023, which was consistent with its fund balance policy of maintaining 25 - 50% of its budgeted expenditures. Regardless, the District has used more than 50% of its fund balance over the last three years which indicates factors of a deteriorating financial condition.

We recommend a reduction of expenditures and or an increases in maintenance taxes so that the District can maintain adequate reserves.

CURRENT YEAR COMMENTS:

2023-1 Certain Capital Assets Were Not Permanently Marked or Disposed Of

During the audit, we noted five (5) out of twenty-five (25) capital assets tested for compliance with Administrative Code 69I-73 did not appear to have an assigned identification number permanently marked on the capital asset. Per Administrative Code 69I-73, capital assets must be permanently marked with an identification number matching the fixed asset software report. In addition, there were capital assets listed on the fixed asset software report that the District no longer has.

We recommend that all capital assets be permanently marked with identification numbers and that all identification numbers agree to corresponding District records. We also recommend the District review the fixed asset software report and properly remove what they no longer have.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the Board of Supervisors, management, the Auditor General of the State of Florida and other federal and state agencies. This report is not intended to be and should not be used by anyone other than these specified parties.

Tuscan & Company, P.A.

TUSCAN & COMPANY, P.A.
Fort Myers, Florida
May 31, 2024

EXHIBIT 1

Central County Water Control District

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

June 18, 2024

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

Re: Management's Response to Independent Auditor's Report to Management – Fiscal Year 2022-2023

Dear Ms. Norman:

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

PRIOR YEAR COMMENTS:

Finding 2022-1 – Budget Carryforward Not Amended in Budget

We did not amend our annual budget estimated carryforward from the prior year to the audited fund balance for the Fiscal Year 2021-2022. We did present an amended budget for the Fiscal Year 2022-2023 with the proper adjustment of the prior year audited fund balance.

Finding 2022-2 – Financial Condition Should Be Monitored

The Board is aware and has discussed, at multiple meetings, that operational costs have exceeded revenues for several years causing us to use significant amounts of our fund balance reserves. On June 30, 2023, the District increased its annual assessment rate for the financial year ending September 30, 2024, by $100 to $425 per acre. This will increase revenues by approximately $795,000. The budget for the fiscal ending September 30, 2024, shows excess revenues over expenditures of $499,733.

CURRENT YEAR COMMENTS:

Finding 2023-1 – Certain Capital Assets Were Not Permanently Marked or Disposed Of

We will review our fixed asset software report and remove the assets that we no longer have and update the permanent marking of the assets we do still own.

Sincerely,

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

EXHIBIT 2

UNAUDITED
COMPLIANCE WITH REPORTING REQUIRED BY:

Auditor General Rule 10.554(1)(i)6
For a dependent special district or an independent special district, or a local government entity that includes the information of a dependent special district as provided in Section 218.39(3)(a), Florida Statutes, the following specific information provided by management (with explanatory verbiage that the auditor provides no assurance on the information):

a. The total number of district employees compensated in the last pay period of the district's fiscal year being reported (see information required in Section 218.32(1)(e)2.a., Florida Statutes). 14

b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year being reported (see information required in Section 218.32(1)(e)2.b., Florida Statutes). 7

c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency (see information required in Section 218.32(1)(e)2.c., Florida Statutes). (Total wage compensation for the fiscal year being audited). $ 848,586

d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency (see information required in Section 218.32(1)(e)2.d., Florida Statutes). (Amounts paid that would be reported on a Form 1099 for FYE). $ 95,647

e. Each construction project with a total cost of at least $65,000 approved by the district that was scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project (see information required in Section 218.32(1)(e)2.e., Florida Statutes) 0

f. A budget variance report based on the budget adopted under section 189.016(4), Florida Statutes, before the beginning of the fiscal year reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes (see information required in Section 218.32(1)(e)3., Florida Statutes). If there were amendments then include budget variance (original budget vs. actual at FYE). See attached page 3 and 4.

Auditor General Rule 10.554(1)(i)7
For an independent special district that imposes ad valorem taxes, the following specific information provided by management (with explanatory verbiage that the auditor provides no assurance on the information): (see information required in Section 218.32(1)(e)4., Florida Statutes).

a. The millage rate or rates imposed by the district. N/A

b. The current year gross amount of ad valorem taxes collected by or on behalf of the district. N/A

c. The total amount of outstanding bonds issued by the district and terms of such bonds. N/A

Auditor General Rule 10.554(1)(i)8
For an independent special district that imposes non-ad valorem special assessments, the following specific information provided by management (with explanatory verbiage that the auditor provides no assurance on the information): (see information required in Section 218.32(1)(e)5., Florida Statutes).

a. The rate or rated of such assessment imposed by the district. $325/acre

b. The total amount of special assessments collected by or on behalf of the district. $ 2,596,035

c. The total amount of outstanding bonds issued by the district and the terms of such bonds. $ 1,372,732

CENTRAL COUNTY WATER CONTROL DISTRICT
ORIGINAL BUDGET vs. ACTUAL COMPARISON REPORT - UNAUDITED - GENERAL FUND
Year Ended September 30, 2023

	General Fund		
	Original Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Maintenance taxes	$ 2,644,595	$ 2,596,035	$ (48,560)
Grant proceeds	-	5,000	5,000
Interest	24,000	78,612	54,612
Miscellaneous	145,500	190,277	44,777
Prior year budgeted carryforward	2,115,199	-	(2,115,199)
TOTAL REVENUES	4,929,294	2,869,924	(2,059,370)
EXPENDITURES			
Current - Physical Environment			
Personnel services	967,000	1,242,848	(275,848)
Operating expenditures			
Discounts & commissions	89,000	108,374	(19,374)
Assessing fees	8,800	12,944	(4,144)
Security	1,250	1,016	234
Supervisor Fees	3,000	2,750	250
Maintenance and rebuilding dirt roads	390,000	865,197	(475,197)
Reservoir maintenance	3,000	-	3,000
Reservoir security	5,000	42,938	(37,938)
Street signs	3,000	29,456	(26,456)
Canal & levees - maintenance & supplies	18,000	18,500	(500)
Supplies	90,000	55,261	34,739
Other contracted services	87,000	92,108	(5,108)
Vending machine supplies	-	2,682	(2,682)
Professional services	185,000	163,709	21,291
Employee training	3,000	-	3,000
Election	3,000	2,667	333
Fuel	100,000	121,325	(21,325)
Repairs - equipment and vehicles	90,000	116,608	(26,608)
Repairs - clubhouse and pool	25,000	100,049	(75,049)
Insurance	64,000	62,425	1,575
Office expense	3,500	790	2,710
Legal advertising	600	951	(351)
Utilities	32,000	42,667	(10,667)
Christmas party	4,000	4,127	(127)
Communications	14,000	21,152	(7,152)
Sanitation	12,000	12,916	(916)
Uniforms	10,000	8,273	1,727
Miscellaneous expense	-	19,448	(19,448)
Summer Camp-other	26,000	7,621	18,379
Operating expenditures	1,270,150	1,915,954	(645,804)

The accompanying notes are an integral part of this statement.

CENTRAL COUNTY WATER CONTROL DISTRICT
ORIGINAL BUDGET vs. ACTUAL COMPARISON REPORT - UNAUDITED -
GENERAL FUND - CONTINUED
Year Ended September 30, 2023

	General Fund		
	Original Budget	Actual	Variance Favorable (Unfavorable)
Capital outlay	559,000	50,510	508,490
Debt Service			
Principal retired	240,035	197,353	42,682
Interest charges	51,004	60,086	(9,082)
Contingency	2,092,105	-	2,092,105
TOTAL EXPENDITURES	5,179,294	3,466,751	1,712,543
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(250,000)	(596,827)	(346,827)
OTHER FINANCING SOURCES			
Proceeds from issuance of capital leases	250,000	-	(250,000)
TOTAL OTHER FINANCING SOURCES	250,000	-	(250,000)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	$ -	(596,827)	$ (596,827)
FUND BALANCE - BEGINNING		1,816,094	
FUND BALANCE - ENDING		$ 1,219,267	

The accompanying notes are an integral part of this statement.