IMMOKALEE WATER & SEWER DISTRICT

BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
TOGETHER WITH ADDITIONAL REPORTS

YEARS ENDED
SEPTEMBER 30, 2023 AND 2022

TABLE OF CONTENTS

	Page(s)
INDEPENDENT AUDITOR'S REPORT	1-4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)	I-IX
BASIC FINANCIAL STATEMENTS	
Statements of Net Position	5
Statements of Revenues, Expenses, and Changes in Net Position	6
Statements of Cash Flows	7
Notes to the Financial Statements	8-39
REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A	
Schedule of Revenues, Expenses and Changes in Net Position - Budget (Non-GAAP Budgetary Basis) and Actual with Reconciliation to GAAP Basis - Year Ended September 30, 2023	40-46
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	47-48
Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes	49
Independent Auditor's Report to Management	50-53
Management's Response to the Independent Auditor's Report to Management	Exhibit 1
Florida Rules of the Auditor General - Rule 10.554(1)(i)6-8 Compliance - Unaudited	Exhibit 2

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 Commissioners
Immokalee Water & Sewer District
1020 Sanitation Road
Immokalee, Florida 34142

Opinion
We have audited the accompanying basic financial statements of the business-type activities of Immokalee Water & Sewer District (an independent special district) (the "District") as of and for the years ended September 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, based on our audits, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Immokalee Water & Sewer District as of September 30, 2023 and 2022, and the respective changes in financial position and cash flows thereof, for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Matter of Emphasis
During the year ended September 30, 2023, the District implemented GASB Statement No. 96 "Subscription-based Information Technology Arrangements (SBITA's)" as further described in Note A. The net position was not required to be restated as of October 1, 2022.

Basis for Opinion
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 opinions. 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 - IX be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information - management's discussion and analysis (MD&A) 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) 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 Immokalee Water & Sewer District's basic financial statements. The required supplementary information other than MD&A - budgetary comparison information - Schedule of Revenues, Expenses and Changes in Net Position - Budget (Non-GAAP Budgetary Basis) and Actual with Reconciliation to GAAP Basis - year ended September 30, 2023 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 - Schedule of Revenues, Expenses and Changes in Net Position - Budget (Non-GAAP Budgetary Basis) and Actual with Reconciliation to GAAP Basis - year ended September 30, 2023 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 - Schedule of Revenues, Expenses and Changes in Net Position - Budget (Non-GAAP Budgetary Basis) and Actual with Reconciliation to GAAP Basis - year ended September 30, 2023 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(1)(i)6-8 Compliance - Unaudited are not a required part of the basic financial statements bu 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 March 5, 2024 on our consideration of Immokalee Water & Sewer 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 Immokalee Water & Sewer 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 March 5, 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 the District's internal control over financial reporting and compliance.

Tuscan & Company, P.A.

TUSCAN & COMPANY, P.A.
Fort Myers, Florida
March 5, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

IMMOKALEE WATER & SEWER DISTRICT

Required Supplementary Information

Management's Discussion and Analysis

September 30, 2023

The management of the Immokalee Water & Sewer District offers readers of our financial statements the following narrative overview and analysis of our financial activities for the year ended September 30, 2023.

Basic Financial Statements

Our basic financial statements are prepared using proprietary fund (enterprise fund) accounting that uses the same basis of accounting as private-sector business enterprises. The District is operated under one enterprise fund. Under this method of accounting, an economic resources measurement focus and an accrual basis of accounting is used.

Revenue is recorded when earned and expenses are recorded when incurred. The basic financial statements include a statement of net position, a statement of revenues, expenses and changes in net position, a statement of cash flows, and a reconciliation of operating profit (loss) to net cash provided by operating activities. These financial statements are followed by notes to the financial statements. In addition to the basic financial statements, this report also contains required supplementary information pertaining to budgetary reconciliations.

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

The statement of revenues, expenses, and changes in net position reports the operating revenues and expenses and nonoperating revenues and expenses of the District for the fiscal year. The difference, the net income or loss, is combined with any capital grants to determine the increase or decrease in net position for the fiscal year. The increase or decrease, combined with the net position at the end of the previous year, total to the net position at the end of the current fiscal year.

The statement of cash flows reports cash and cash equivalent activities for the fiscal year resulting from operating activities, capital and related financing activities, noncapital and related financing activities and investing activities. The net result of these activities added to the beginning of the year cash balance, total to the cash and cash equivalent balance at the end of the current fiscal year.

Condensed Financial Statement

Condensed financial information from the statements of net position and revenues, expenses and changes in net position for the years ended September 30, 2022 and 2023 are as follows:

	September 30, 2022	September 30, 2023
Current and other assets	$ 18,852,586	$ 18,981,624
Capital assets, net	58,270,517	59,129,680
Total assets	$ 77,123,103	$ 78,111,304
Current liabilities	$ 3,656,260	$ 3,365,011
Long-term liabilities	30,251,807	29,250,513
Total liabilities	33,908,067	32,615,524
Net position:		
Net Investment in capital assets	27,260,934	29,096,323
Restricted	2,163,187	994,775
Unrestricted	13,790,915	15,404,682
Total net position	43,215,036	45,495,780
Total liabilities and net position	$ 77,123,103	$ 78,111,304
Operating revenue:		
Water service	$ 4,108,228	$ 4,598,844
Wastewater service	5,983,159	6,570,231
Meter service charges	863,741	953,604
Late fees	86,025	167,046
Reconnection /transfer fee	106,230	134,803
Miscellaneous revenue	289,067	267,070
Cross connection control fees	374,532	474,518
Total operating revenues	11,810,982	13,166,116
Operating expenses:		
Water treatment and distribution expense	2,611,253	2,907,341
Wastewater treatment expense	2,143,222	2,512,050
Wastewater collection expense	922,851	1,030,895
Customer service and administrative expense	2,005,640	2,561,572
Maintenance	424,387	554,303
Total operating expenses, excluding depreciation	8,107,353	9,566,161
Depreciation	2,534,093	2,536,348
Total operating expenses, including depreciation	10,641,446	12,102,509
Operating profit (loss)	1,169,536	1,063,607
Net nonoperating revenue/(expense)	(1,136,378)	(131,763)
Profit (loss) before capital grants	33,158	931,844
Capital grants and contributions	871,922	1,348,900
Increase (Decrease) in net position	905,080	2,280,744
Net position, beginning of year	42,309,956	43,215,036
Net position, end of year	$ 43,215,036	$ 45,495,780

(Continued)

The information contained in the condensed financial information table is used as the basis for the discussion presented on the following pages, surrounding the District's activities for the fiscal year ended September 30, 2023.

Financial Highlights

- The District completed rate studies and adopted the related rate increase of 3% per year for FY 2020-2022 and 9.5% per year for FY23-25. Rate increases are effective on October 1.
- The District ended the year September 30, 2022, with a net position of $43,215,036 of which $27,260,934 represented the net investment in capital assets, $2,163,187 represents restricted net position and $13,790,915 was unrestricted. The ending net position was $905,080 more than the net position at the beginning of the year. This was primarily the result of the implementation of the previous rate increases.
- The District ended the year September 30, 2023, with a net position of $45,495,780 of which $29,096,323 represented the net investment in capital assets and $15,404,682 was unrestricted. The ending net position was $2,280,744 more than the net position at the beginning of the year. This was primarily the result of the implementation of the rate increases.
- The District had profit before capital contributions, for the years ended September 30, 2022 and 2023 of $33,158 and $931,844, respectively.
- The District had minimized interest expense, because of utilizing low interest bonds/loans for capital projects funded through USDA Rural Development. These interest rates range from 2.0% to 4.0% in FY 23. During FY 22, the District paid off 2 bond issues and refinanced 5 others to lower the annual debt service and reduce interest costs. The new Refunding Series 2022 bond has a fixed 4% interest rate. Now bond interest rates range from 2% to 4%. District projects are financed through a combination of bonds, loans and grants.
- The District ended the year September 30, 2022 with cash and cash equivalents and investments of approximately $16,080,990. However, only $12,406,353 of this amount is available for operations, with the remainder of these assets being restricted for specific purposes and unavailable for the District's general use.
- The District ended the year September 30, 2023 with cash and cash equivalents and investments of approximately $16,758,602. However, only $14,127,026 of this amount is available for operations, with the remainder of these assets being restricted for specific purposes and unavailable for the District's general use.
- The statement of cash flows identifies the sources and uses of cash activity for the fiscal year. For fiscal year 2022, cash and cash equivalents decreased by $(223,918) compared to an increase of $469,004 for the year ended September 30, 2021. This change resulted primarily from the cost of capital projects and paying off 2 bond issues. The servicing of the District's debt (principal and interest) resulted in the spending of cash of nearly $1,051,828.

- The statement of cash flows identifies the sources and uses of cash activity for the fiscal year. For fiscal year 2023, cash and cash equivalents decreased by $12,798,353 compared to a decrease of $223,918 for the year ended September 30, 2022. This change resulted primarily from the transferring of cash to investments in the amount of $12,838,746. The servicing of the District's debt (principal and interest) resulted in the spending of nearly $1,774,350.

Revenue

As in previous years, the wastewater service revenues make up half or more of the operating revenues, accounting for 51% in 2022 and 50% in 2023. Water revenue accounted for 35% in 2022 and 35% in 2023. Meter service charges, late fee charges, reconnection fees, and miscellaneous revenues also remained constant between the two years. Cross connection control fees remained at 3% in 2022 and 4% in 2023.

The District was successful in receiving an increase in the District boundaries by the Florida Legislature, during the Spring 2005 session. This change in the boundaries is expected to result in increased opportunities for new users, in future years. We will be working on a revised capital improvement plan, in conjunction with the Immokalee Master Plan, to identify the needs within the next fiscal year.

Expenses

Due to the significant investments the District has in capital assets, depreciation continues to be one the largest operating expenses at 24% and 21% of total operating expenses for the year ended September 30, 2022 and 2023, respectively. Unlike the other expenses listed, depreciation is not a cash expense.

The first largest department in FY 23, by expenses, was the administration department. The related operating expenses was 21% of total expenses in FY 23. In FY 22 the administrative department was the third largest department at 19% of total expense. The largest expense, in this department, other than salaries and benefits are engineering and legal fees.

The water treatment and distribution departments consist of 25% and 24% of total expenses for the years ended September 30, 2022 and 2023, respectively. The District is programming a new advanced metering infrastructure project to use cellular data to read meters from the office. This interactive technology will allow staff access to real time data for customer inquiries on usage, quicker leak detection, efficient maintenance planning and ultimately effective monitoring of the water system.

The wastewater treatment department, by expenses, consist of 20% and 31% of total operating expenses which remained constant between 2022 and 2023, respectively. This department is one of the largest. One of the largest expenses, excluding salaries and benefits, in this department is electric, which accounted for over $209,000 and $328,441 in expenses in 2022 and 2023, respectively.

The wastewater collection department consists of 9% and 9% of total expenses for the years ended September 30, 2022 and 2023, respectively. The related operating expenses were at 9% and 9% in 2022 compared to 2021, respectively.

The smallest department is the maintenance department, which was created in fiscal year 2004 to reduce maintenance-related expenses from third-party vendors. It accounts for 4% and 5% of total operating expenses in 2022 and 2023, respectively. Labor costs in this department, except for those relating to the supervisor, are charged to the appropriate departments, based on the maintenance projects they are working on.

Wages and benefits account for 39% and 37% of the total operating expenses in 2022 and 2023, making it the largest expense category. Depreciation expense accounts for 24% and 21%, for 2022 and 2023, respectively.

The District continues to monitor costs. The District considers cost of living increases during the budget cycle and provides merit increases based upon performance evaluations. The District follows best practices for water and wastewater systems in promoting employees who meet specified criteria for certification and licensing. The District bids out contracts for major expenses, such as health insurance, property insurance, residuals management and chemicals. The District has an arrangement with Collier County Fleet Management allowing the District to access their fuel tanks, located in Immokalee, to take advantage of bulk-usage savings.

General Fund Budgetary Highlights

Over the course of the 2023 fiscal year, the Board of Commissioners amended the District budget. These budget amendments were done primarily to a) increase operating revenue, and to b) increase operating expenses, capital funding primarily related to the District's projects, bond refinancing related costs and adjust designated funds.

Original to Final Budget Variance

For the fiscal year 2023 total operating revenues were increased by approximately $1,362,000 more than originally budgeted, and total operating expenses, excluding depreciation expense, were increased by nearly $300,000.

Capital outlay – capital outlay was decreased by nearly $12,000,000.

Capital Assets

The District's net capital assets as of September 30, 2022 and 2023 amounted to $58,270,517 and $59,129,680 (net of accumulated depreciation), respectively. This investment in capital assets includes land, construction in progress, buildings and improvements, water and wastewater plants and systems, and machinery and equipment.

Net capital asset additions included the following for the years ended September 30:

	2022	2023
Construction in progress	$ 2,093,981	$ 2,548,992
Buildings and improvements	-	-
Water and wastewater plants and systems	806,323	747,104
Machinery and equipment	66,309	99,415
	$ 2,966,613	$ 3,395,511

Construction in progress for 2022 was primarily for the clarifier project and clay pipe replacement.

Construction in progress for 2023 was primarily for the clarifier project, clay pipe replacement, improvements to the wastewater system and design/engineering for the new administration building.

The District primarily acquires its assets with the proceeds from federal capital grants and revenue bonds, supplemented by user fees. USDA Rural Development is the primary source of proceeds, because they offer low interest loans for capital improvements. We also received contributed capital in the form of new water and sewer infrastructure from developers. New equipment purchases and a system expansion are part of the District's capital improvement program. Capital purchases are acquired using bids, or Florida State Contract prices.

Debt

As of September 30, 2022, the District had $30,276,000 of revenue bonds outstanding. The total amount outstanding for this category of debt decreased, to reflect the net ($10,549,969 principal retired plus $10,514,000 bonds issued) principal payments by the District of $35,969.

As of September 30, 2023, the District had $29,410,800 of revenue bonds outstanding. The total amount outstanding for these categories of debt decreased, to reflect the principal payments by the District of $865,200.

Unrestricted Net Assets

As of September 30, 2022, the District had designated $11,554,207 in unrestricted net assets, as recommended by the auditor. The District designated $941,631 for emergencies, $3,982,093 for operations, $607,483 for vehicle replacement, $1,000,000 for capital equipment, $3,523,000 for future capital projects, and $1,500,000 for maintenance reserve.

As of September 30, 2023, the District had designated $15,404,682 in unrestricted net assets, as recommended by their auditor. The District designated $941,631 for emergencies, $4,800,738 for operations, $607,483 for vehicle replacement, $2,000,000 for capital equipment and projects, and $7,054,830 for maintenance reserve.

Upcoming Significant Changes or Impacts

Rate Increases: In fiscal year 2022, the District retained Raftelis Financial Consultants Inc. (formerly PRMG), to perform a water and wastewater revenue sufficiency and miscellaneous fee study. The monthly rates pay for:

Water Supply & Treatment	Administration
	Capital Maintenance of Major Assets
Laboratory & Testing	& Infrastructure
Distribution & Maintenance	Replacement of Minor Equipment
Customer Service & Billing	Loan Payments

The Board held a public workshop on July 20, 2022 and a separate public hearing on August 17, 2022 to discuss the adequacy of the existing monthly service rates and adopted a 9.5% per year rate increase for the next three (3) years (FY 2023 through FY 2025).

Miscellaneous fees and charges address costs for customer-specific service requests such as cross connection control, meter installation and tap, reconnect/disconnect. The review of the adequacy of the miscellaneous fees and charges resulted in an overall increase to most fees since existing charges had not been adjusted since 2017. There were two (2) charges eliminated and several fees were determined to be adequate at the current level and no changes were made.

The Board held a public hearing on September 21, 2022 to discuss the adequacy of the existing miscellaneous fees and charges and adopted a revised fee schedule.

New Development: There are several new non-profit developments under construction that will become system users including Fair Housing Alliance (128 units), Habitat for Humanity (Kaicasa) (280 units), Redlands Christian Migrant Association (RCMA) (daycare/charter school, office/community center, 160 multifamily units). Other new non-profit developments via Pulte Family Foundation and Catholic Charities are in the planning stages.

The Williams Ranch PUD is the only for-profit development currently being planned. 366 units were recently approved by Collier County. The expected buildout is 2000 units.

Capital Improvements: The District is closing out the wastewater clarifier rehabilitation project with a final cost of approximately $2,778,000.

The District submitted appropriation requests to the 2023 Florida Legislature to fund three (3) major projects:

- Immokalee Reuse/Reclaimed Water Treatment - $10,000,000
- Immokalee Smart Utility - $7,000,000
- Immokalee Water Softening Treatment - $9,000,000

As of this writing, the legislature has the water softening project funded at 100% and the other two (2) projects at 50%.

The District continues to manufacture our own fertilizer branded “Organi Kalee” and markets to agricultural uses. The District is exploring variations to refining the fertilizer which may improve its marketability.

Collier County Projects: Tiger Grant - Collier County was awarded a $13,000,000 grant to construct complete streets improvement in Immokalee including 20 miles of new sidewalks, a bike boulevard network, a shared-use path, street lighting, drainage improvements, a new transit center, landscaping, and intersection and traffic calming improvements. There are significant utility relocations associated with this project that the District is responsible for funding.

Lake Trafford Road Stormwater/Pedestrian/Bike Improvements – Collier County is constructing stormwater improvements to address severe flooding issues along approximately 3 miles of Lake Trafford Road. The plans indicate that relocation of a water main and sewer lines are necessary. The District is analyzing the related costs.

Request For Information

This financial report is intended to provide an overview of the finances of the District for those with an interest in this organization. Questions concerning any information within this report, may be directed to the Executive Director of the District, 1020 Sanitation Road, Immokalee, Florida 34142.

IMMOKALEE WATER & SEWER DISTRICT
STATEMENTS OF NET POSITION
September 30, 2023 and 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash	$ 651,061	$ 12,406,353
Investments - CDs	656,362	637,219
Investments - Cash Pools	10,864,971	-
Accounts receivable, net	803,378	731,390
Other receivables	14,023	36,151
Inventory	354,399	229,879
Deposits	10,000	-
TOTAL CURRENT ASSETS	13,354,194	14,040,992
RESTRICTED ASSETS		
Cash	2,631,576	3,674,637
Investments - Cash Pools	1,954,632	-
Grant and assessment receivables	1,041,222	1,136,957
TOTAL RESTRICTED ASSETS	5,627,430	4,811,594
CAPITAL ASSETS		
Capital assets not being depreciated:		
Land	2,645,941	2,645,941
Construction in progress	5,564,556	3,593,683
Capital assets being depreciated:		
Buildings and improvements	1,821,026	1,677,771
Water and wastewater plants and systems	91,025,495	89,843,527
Machinery and equipment	3,711,774	3,624,858
Less:		
Accumulated depreciation	(45,639,112)	(43,115,263)
	59,129,680	58,270,517
TOTAL ASSETS	$ 78,111,304	$ 77,123,103

The accompanying notes are an integral part of this statement.

	2023	2022
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts and contracts payable	$ 597,072	$ 872,020
Other accrued expenses	67,985	91,972
Capital lease payable, current portion	21,931	43,861
TOTAL CURRENT LIABILITIES	686,988	1,007,853
CURRENT LIABILITIES (Payable from Restricted Assets)		
Revenue bonds payable, current portion	889,147	849,000
Loans payable - SRF, current portion	39,820	38,810
Accrued revenue bond interest	70,596	73,278
Retainage payable	-	105,646
Customer deposits	1,678,460	1,581,673
TOTAL CURRENT LIABILITIES (Payable from Restricted Assets)	2,678,023	2,648,407
LONG-TERM LIABILITIES		
Line of Credit (LOC)	-	-
Revenue bonds payable, net of current portion	28,773,135	29,706,838
Loans payable - SRF, net of current portion	309,324	349,143
Capital lease payable, net of current portion	-	21,931
Accrued compensated absences	168,054	173,895
TOTAL LONG-TERM LIABILITIES	29,250,513	30,251,807
Commitments	-	-
TOTAL LIABILITIES	32,615,524	33,908,067
NET POSITION		
Net investment in capital assets	29,096,323	27,260,934
Restricted	2,949,407	2,163,187
Unrestricted	13,450,050	13,790,915
TOTAL NET POSITION	45,495,780	43,215,036
TOTAL LIABILITIES AND NET POSITION	$ 78,111,304	$ 77,123,103

IMMOKALEE WATER & SEWER DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Years ended September 30, 2023 and 2022

	2023	2022
OPERATING REVENUES		
Water service	$ 4,598,844	$ 4,108,228
Wastewater service	6,570,231	5,983,159
Meter service charge	953,604	863,741
Late fees	167,046	86,025
Reconnect and transfer fees	134,803	106,230
Miscellaneous charges, fees and other income	267,070	289,067
Cross connection control fee	474,518	374,532
TOTAL OPERATING REVENUES	13,166,116	11,810,982
OPERATING EXPENSES		
Water treatment	1,387,112	1,116,702
Water distribution	1,520,229	1,494,551
Wastewater treatment	2,512,050	2,143,222
Wastewater collection	1,030,895	922,851
Customer service and administrative	2,561,572	2,005,640
Maintenance	554,303	424,387
TOTAL OPERATING EXPENSES PRIOR TO DEPRECIATION	9,566,161	8,107,353
Depreciation	2,536,348	2,534,093
TOTAL OPERATING EXPENSES	12,102,509	10,641,446
OPERATING PROFIT (LOSS)	1,063,607	1,169,536
NON-OPERATING REVENUES (EXPENSES)		
Interest income	556,449	56,678
Gain (loss) on disposition of capital assets	5,051	3,331
Interest expense	(823,804)	(922,210)
Bond issuance costs	-	(305,502)
Bad debt expense adjustment	(33,372)	(11,501)
Covid 19 expense	-	-
Other income	163,913	42,826
NET NON-OPERATING EXPENSES	(131,763)	(1,136,378)
PROFIT (LOSS) BEFORE CAPITAL CONTRIBUTIONS	931,844	33,158
CAPITAL CONTRIBUTIONS		
USDA - grants	434,696	768,250
Customers	167,100	73,465
Developers	747,104	30,207
TOTAL CAPITAL CONTRIBUTIONS	1,348,900	871,922
INCREASE (DECREASE) IN NET POSITION	2,280,744	905,080
NET POSITION - Beginning of the year	43,215,036	42,309,956
NET POSITION - End of the year	$ 45,495,780	$ 43,215,036

The accompanying notes are an integral part of this statement.

IMMOKALEE WATER & SEWER DISTRICT
STATEMENTS OF CASH FLOWS
Years ended September 30, 2023 and 2022

	2023	2022
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:		
Cash received from customers	$ 13,155,278	$ 11,873,829
Cash payments to suppliers and employees	(9,993,192)	(8,999,709)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	3,162,086	2,874,120
CASH FLOWS FROM (USED IN) NONCAPITAL FINANCING:		
Other income received	186,041	42,826
Bond issuance cost	-	(305,502)
NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING	186,041	(262,676)
CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(3,501,157)	(2,907,508)
Proceeds from sale of capital assets (gain)	5,051	4,635
Deposit into escrow for land purchase	(10,000)	-
Principal paid on revenue bonds	(865,200)	(10,549,969)
Proceeds from bond issuance	-	10,514,000
Payment of refunding bond premium	-	280,761
Amortization of bond premium	(28,356)	(923)
Principal paid on loans - SRF	(38,809)	(37,826)
Interest paid on bonds and other obligations	(826,486)	(934,171)
Proceeds from special assessment collections	77,882	77,916
Principal paid on bond anticipation note (BAN)	-	(750,327)
Proceeds from bond anticipation note (BAN)	-	696,826
Principal paid on capital lease	(43,861)	(43,862)
Capital contributions - developers	747,104	30,207
Capital contributions - USDA	452,549	677,918
Membership/customer/developer connection fees/assessment	167,100	73,465
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	(3,864,183)	(2,868,858)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:		
Interest earned on investments	556,449	33,496
Purchase of investments	(12,838,746)	-
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(12,282,297)	33,496
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(12,798,353)	(223,918)
CASH AND CASH EQUIVALENTS-BEGINNING OF YEAR	16,080,990	16,304,908
CASH AND CASH EQUIVALENTS-END OF YEAR	$ 3,282,637	$ 16,080,990

The accompanying notes are an integral part of this statement.

	2023	2022
RECONCILIATION OF OPERATING PROFIT TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
OPERATING PROFIT (LOSS)	$ 1,063,607	$ 1,169,536
Adjustments to reconcile operating profit to net cash provided by operating activities:		
Depreciation (non cash)	2,536,348	2,534,093
Increase (decrease) in accrued compensated absences (non cash)	(5,841)	7,350
(Increase) decrease in accts. receivable, net of bad debt expense	(105,360)	(6,985)
(Increase) decrease in inventory	(124,520)	111,785
Increase (decrease) in accounts and contracts payable	(274,948)	(941,099)
Increase (decrease) in other accrued expenses	(23,987)	(70,392)
Increase (decrease) in customer deposits	96,787	69,832
TOTAL ADJUSTMENTS	2,098,479	1,704,584
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 3,162,086	$ 2,874,120

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Immokalee Water & Sewer District (the "District") was created by Laws of Florida, (Section) Chapter 78-494 on July 5, 1978, under the provisions of Florida Statute, Chapter 153.53 and 189.031 for the purpose of providing water and sewer services to Immokalee, an unincorporated area of eastern Collier County, Florida. The District's enabling legislation was repealed, updated, reenacted, and codified by Laws of Florida, Chapter 98-495 on May 28, 1998. On July 1, 2005, Laws of Florida, Chapter 2005-298 amended Laws of Florida, Chapter 98-495 by expanding the District's boundaries. On June 10, 2015, Laws of Florida, Chapter 2015-205 amended Laws of Florida, Chapter 98-495 to provide for salaries/honorariums for elected District Board of Commissioner members up to $250 each per month.

On June 20, 2021, Laws of Florida, Chapter 2021-263 amended Laws of Florida, Chapter 98-495 to allow Board member terms to be 4 years or until a successor is appointed by the Governor.

Effective June 24, 2022, Laws of Florida 2022-258 amended, codified, reenacted and repealed the previously approved District's Laws of Florida.

The District owns, operates, maintains and regulates its water and sewer plants and systems as an independent special district of the State of Florida. The District is governed by a seven (7) member Board of Commissioners appointed by the Governor of the State of Florida. The Board of Commissioners (the "Board") administers the District, independent from any other local governing body and serve staggered four (4) year terms.

Reporting Entity

Immokalee Water & Sewer District is financially independent of all other units of government. It is responsible for financing its own activities and the payment of its own debt. The Board of Commissioners (the "Board") has the responsibility to employ management that is responsible for the day-to-day operations of the District. The Board has absolute authority over all funds included in the entity. Immokalee Water & Sewer District is not a component unit of any other governmental unit.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Reporting Entity, continued

The District adheres to Statement of Governmental Accounting Standards Board (GASB) Statement No. 14, "Financial Reporting Entity", as amended by GASB Statement Number 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus - An Amendment of GASB Statements No. 14 and No. 34". These Statements require the financial statements of the District (the primary government) to include its component units, if any. A component unit is a legally separate agency for which the primary government is financially accountable or organizations whose exclusion would cause the financial statements to be misleading because of the nature and significance of their relationship with the primary government. Financial accountability is determined by the primary government's ability to appoint the voting majority of the District's board, impose its will on the organization, the existence of a financial benefit/burden relationship or fiscal dependency. Based on this criteria, there are no component units included or required to be included in the District's financial statements.

The Immokalee Water & Sewer District adheres to the requirements of Governmental Accounting Standards Board Statement Number 33 "Accounting and Financial Reporting for Non-Exchange Transactions." As such, capital related grant revenue is recorded as non-operating revenue and is reflected on the Statements of Revenues, Expenses and Changes in Net Position.

The following is a summary of the significant accounting polices used in the preparation of these financial statements:

The District adheres to the requirements of Governmental Accounting Standards Board Statement Number 34, "Basic Financial Statement and Management's Discussion and Analysis for State and Local Governments" (GASB 34). The government-wide financial statements along with the notes to the financial statements and the RSI, as noted below comprise the basic financial statements.

The basic financial statements of the District are comprised of the following:
- Government-wide financial statements
- Notes to the financial statements
- Required supplementary information other than MD&A

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statements of Net Position, the Statements of Revenues, Expenses and Changes in Net Position and Statements of Cash Flows) report information on all of the activities of the District and do not emphasize fund types. These business-type activities comprise the primary government. Business-type activities rely on user fees and charges to support its activities rather than taxes and intergovernmental revenues. 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 District uses only one fund.

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

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

The Statements of Revenues, Expenses and Changes in Net Position 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.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Government-Wide Financial Statements, continued

Operating revenues are considered to be revenues generated by services performed and/or by fees charged such as water and sewer usage, connection, inspection fees and flow testing.

Budgetary Information

As required, the District uses only one fund to account for its activities and, therefore, it is considered a major fund. The District has elected to report budgetary comparison of its major fund as required supplementary information (RSI).

Fund Accounting

The District's financial practices are based upon fund accounting concepts. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, recording cash and other financial resources, together with all related liabilities and net assets (fund equity balances) and changes therein.

The accompanying financial statements reflect Business - Type Activities and are classified as a single Proprietary Fund Type - Enterprise Fund. This fund accounts for the cost of services provided by the District as well as the revenues earned by the District.

Business - Type Activities - Proprietary Fund Type

Enterprise Fund - An enterprise fund is used to account for operations (1) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Measurement Focus

Proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, assets and liabilities associated with the operation of these funds are included on the statements of net position. Proprietary fund-type operating statements present increases (i.e. revenues) and decreases (i.e. expenses) in total net position. Operating revenues and expenses result from providing water distribution as well as wastewater collection and treatment to members within the District's boundaries. Generally, other revenues and expenses are treated as non-operating revenues and expenses.

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.

Basis of Accounting

The proprietary fund type is presented on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded in the period earned and expenses are recorded in the period the liability is incurred.

Budgetary Process

The District operates under a fixed budget for control purposes. The budget and amendments, if any, are approved by the Board of Commissioners. The budget is prepared on a Non-GAAP accrual basis, whereby items such as capital expenditures and debt principal payments are budgeted as expenses.

The annual budget serves as the legal authorization for expenditures. Expenditures cannot legally exceed the total amount budgeted. All budget amendments, which change the legally adopted total appropriation, are approved by the Board.

The District follows these procedures in establishing budgetary data.

1. During the summer of each year, management submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing on October 1. The operating budget includes proposed expenditures and the means of financing them.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Budgetary Process, continued

2. Public hearings are conducted to obtain citizen comments.
3. The budget is adopted by approval of the Board of Commissioners.
4. Budget amounts, as shown in these financial statements, are as originally adopted or as amended by the Board of Commissioners.
5. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America, except as reflected in the supplementary information and as noted above.
6. The level of control for appropriations is exercised at the fund level.
7. Appropriations lapse at year-end.

The Board of Commissioners did amend the budget during the fiscal year ended September 30, 2023 to decrease total budgeted net revenue by $5,225,217 and an decrease in budgeted expenses (including net non-operating revenue and expense) by $5,225,217.

Cash

For the purpose of the Statements of Cash Flows, the District considers all highly liquid investments, including both unrestricted and restricted, with a maturity of three months or less, when purchased, to be a cash equivalent, in accordance with District policy.

Accounts Receivable/Allowance for Doubtful Accounts

Receivables include user fees for water and wastewater services provided as part of the operations by the District. The accounts receivable are recorded net of the estimated allowance for doubtful accounts. The District operates using an allowance and collection policy that ultimately provides for discontinuance of water service due to nonpayment by the user. The policy also provides for application of the respective user's security deposit upon certain criteria.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Inventory

Inventory consists of utility system parts and hardware supplies at year end. The inventories are valued at cost, which approximates net realizable value. The method used to determine the value of the inventory is the FIFO (first in-first out) method.

Capital Assets and Depreciation

Capital assets acquired by proprietary funds are reported in those funds at historical cost or estimated historical cost if actual historical cost is not available.

Donated assets are reported at estimated fair market value at the time received. Certain infrastructure-type fixed assets consisting of certain improvements such as roads, curbs, gutters and lighting systems have not been capitalized, as the District does not generally incur such expenditures. However, the systems' distribution and collection lines and pumps are capitalized and depreciated as part of the overall system. Assets acquired with a cost or fair value of $5,000 or more and a useful life of 1 year or more are capitalized. 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.

The capital assets are depreciated using the straight-line method of depreciation over the following estimated useful lives:

Asset	Years
Buildings/Plant and Plant Equipment	10-40
Capital Improvements, Distribution Lines	5-40
Furniture, Fixtures and Equipment	3-20
Vehicles	3-7

Restricted Assets

These monies are restricted by the applicable debt covenants and grant agreements or as customer deposits.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Vacation Leave

Accumulated unpaid vacation pay is accrued when incurred in the proprietary fund. The method of accrual is in accordance with Statement of Governmental Accounting Standards Board Number 16, "Accounting for Compensated Absences" (GASB 16). This Standard provides for the measurement of accrued vacation leave using the pay or salary rates in effect at the balance sheet date. It also requires additional amounts to be accrued for certain salary related payments associated with the payment of compensated absences such as FICA and retirement benefits only. Accrued unused vacation is accrued and paid at termination. Accrued unused sick time is not paid at termination.

Encumbrances

Encumbrance 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 considered necessary to assure budgetary control or to facilitate effective cash planning and control.

Membership (Connection) Fees

Water (connection) service installation fees are dedicated for the system expansion and are treated as contributed capital but recognized as revenue when received (due to the District) by the District.

Income Taxes

The District, as a governmental unit, is exempt from income taxes under current provisions of the Internal Revenue Code and Florida State Law.

Fund Equity

Grants, entitlements or shared revenues which are externally restricted for capital acquisition or construction are treated as contributed capital but recorded as revenue when due to the District. Contributed or donated fixed assets are also treated as contributed capital but recorded as revenue when due the District. Reserved retained earnings represent those portions of fund equity legally restricted by debt covenants for current and future debt service.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Use of Estimates

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

Reclassifications

Certain amounts in the financial statements have been reclassified to conform with the current year presentation. These reclassifications had no effect on the results of operations or net assets.

Subsequent Events

Subsequent events have been evaluated through March 5, 2024, which is the date the basic financial statements were available to be issued.

Application of FASB Pronouncements to Proprietary Funds

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting", the District has elected not to apply those FASB Statements and Interpretations issued after November 30, 1989. Only GASB pronouncements issued after this date will be adopted by the District.

Accounting Pronouncement GASB Statement No. 42

The District adheres to Government Accounting Standards Board Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries" (GASB Statement No. 42). GASB Statement No. 42 establishes accounting and financial reporting standards for impairment of capital assets.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Accounting Pronouncement GASB Statement No. 42, continued

A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. Governments are required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. Such events or changes in circumstances that may be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations or other changes in environmental factors, technological changes or evidence of obsolescence, changes in the manner or duration of a capital asset, and construction stoppage. A capital asset generally should be considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset.

The District incurred no capital asset impairment activity for the years ended September 30, 2023 and 2022.

Leases

During fiscal year ended September 30, 2023, the District adopted GASB Statement 87 - Leases. This Statement required the recognition of certain lease assets and liabilities in the Statements of Net Position for leases that previously were classified as operating leases. The District determined their current operating lease agreements to be immaterial and/or did not meet the recording criteria. Therefore, there was no effect from GASB Statement 87 at September 30, 2023.

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, 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.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

New Accounting Guidance, continued

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 and/or the related arrangement costs were considered immaterial.

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 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.

NOTE B - CASH AND INVESTMENTS

At September 30, 2023 and 2022, cash and cash equivalents (including both restricted and unrestricted cash and cash equivalents) were $3,282,637 and $16,080,990 respectively, including unrestricted cash on hand of $3,400 and $3,400, respectively.

Deposits

The District's deposit policy allows deposits to be held in demand deposits, savings accounts, certificates of deposit, direct obligations of the U.S. Treasury, Local Government Surplus Trust Funds, direct obligations of Federal agencies and

NOTE B - CASH AND INVESTMENTS, CONTINUED

Deposits, continued

instrumentalities and money market accounts. All cash deposits are held in qualified public depositories pursuant to Florida Statutes Chapter 280, "Florida Security for Public Deposits Act."

Deposits consist of the following at September 30:

	Insured/ Collateralized	Bank Balance	Carrying Amount
September 30, 2023			
Unrestricted			
Depository accounts	$ 763,282	$ 763,282	$ 647,312
Money market	349	349	349
	763,631	763,631	647,661
Restricted			
Depository accounts	1,648,709	1,648,709	1,645,863
Money market	985,713	985,713	985,713
	2,634,422	2,634,422	2,631,576
	$ 3,398,053	$ 3,398,053	$ 3,279,237
September 30, 2022			
Unrestricted			
Depository accounts	$ 2,910,635	$ 2,910,635	$ 2,839,567
Money market	9,563,386	9,563,386	9,563,386
	12,474,021	12,474,021	12,402,953
Restricted			
Depository accounts	1,566,498	1,566,498	1,566,498
Money market	2,216,332	2,216,332	2,108,139
	3,782,830	3,782,830	3,674,637
	$ 16,256,851	$ 16,256,851	$ 16,077,590

Unrestricted and Restricted Deposits

The District's deposits were categorized to give an indication of the level of risk assumed by the District at year-end. All deposits were fully insured by Federal Depository Insurance or collateral pursuant to the Public Depository Act (Florida Statute 280). As such, the District resolved to abide by Florida Statute 218.415(17).

NOTE B - CASH AND INVESTMENTS, CONTINUED

Restricted Deposits

Restricted deposits are required by the District's outstanding debt agreements as well as grant and other agreements. Restricted deposits also include customer deposits.

Restricted deposits (carrying amounts) consist of the following at September 30:

	2023	2022
Construction account/Clarifier	$ 57	$ 66,698
Bond sinking fund reserve	708,839	1,141,057
Department of Environmental Protection-Deep Well Injection Reserve	249,466	240,965
Customer deposits	1,645,863	1,563,998
Loan debt service	25,104	66,475
Special assessment - ArrowHead	1,889	519,213
Special assessment - SR 29	358	76,231
	$ 2,631,576	$ 3,674,637

Investments

Florida Statutes and the District's investment policy authorize investments in certificates of deposit (CD's). Certificates of deposit whose values exceed the amount of the Federal Depository Insurance are collateralized pursuant to the Public Depository Security Act of the State of Florida. The District had $656,362 and $637,219 (bank and book balance) invested in certificates of deposit at September 30, 2023 and 2022, respectively. The CDs carried interest rates of 2.96% at September 30, 2023. The CDs mature on June 13, 2024.

Florida Statutes and the District's investment policy also authorize investments in local government surplus investment pools. At September 30, 2023, the District's investments in the three (3) local government surplus investment pools consist of the following:

	Cost Basis	Fair Value (NAV)/ Carrying Amount
Local Government Surplus Trust Fund (SBA) (LGIP) Prime	$ 6,254,095	$ 6,254,095
Florida Surplus Asset Fund Trust (FL SAFE) Stable Net Asset Value	2,057,897	2,057,897
Florida Cooperative Liquid Assets Security System (FLCLASS) Prime-Style Fund	4,507,611	4,507,611
Total investments	$ 12,819,603	$ 12,819,603

NOTE B - CASH AND INVESTMENTS, CONTINUED

The Local Government Surplus Funds Trust Fund (Florida PRIME (formerly Fund "A")) is an external 2a7-like investment pool, administered by the Florida State Board of Administration. The Local Government Surplus Funds Investment Pool Trust Fund is not categorized as it is not evidenced by securities that exist in physical or book entry form. The Local Government Surplus Trust Funds Investment Pool's (LGIP) shares are stated at amortized cost (NAV), which approximates fair value. These investments are subject to the risk that the market value of an investment, collateral protecting a deposit or securities underlying a repurchase agreement, will decline. The District's investment in the Fund represented less than 1% of the Fund's total investments. Investments held in the Fund include, but are not limited to, short-term federal agency obligations, treasury bills, repurchase agreements and commercial paper. These short-term investments are stated at amortized cost, which approximates market. Investment income is recognized as earned and is allocated to participants of the Fund based on their equity participation.

At September 30, 2023, the District reported SBA investments of $6,254,095 fair value/cost for amounts held in Florida PRIME. The Florida PRIME carried a credit rating of AAAm by Standard and Poors and had a weighted average days to maturity (WAM) of 35 days at September 30, 2023. The weighted average life (WAL) of PRIME was 75 days at September 30, 2023.

The District adheres to GASB Statement No. 79 which requires the following disclosures related to its Florida PRIME investment:

> Redemption Gates: Chapter 218.409(8)(a), Florida Statutes, states that “The principal, and any part thereof, of each account constituting the trust fund is subject to a payment at any time from the moneys in the trust fund. However, the Executive Director of the fund may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants. The Trustees, the Joint Legislative Auditing Committee, the Investment Executive Director has instituted such measures to review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on the contributions and withdrawals, the

NOTE B - CASH AND INVESTMENTS, CONTINUED

moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days."

Foreign Currency Risk: Prime was not exposed to any foreign risk during the period October 1, 2022 to September 30, 2023.

Liquidity Fees: Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosures in the enrollment materials of the amount and purpose of such fees. At September 30, 2023, no such disclosure has been made.

Redemption Fees: As of September 30, 2023, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

Fair Value: The cost and carrying value of the cash, cash equivalents, and investments held by the District approximate fair value and as such are reported at amortized cost.

Security Lending: PRIME did not participate in a securities lending program during the year October 1, 2022 through September 30, 2023.

PRIME audited financial statements for the year ended June 30, 2023 are available online.

The District invests in the Florida Cooperative Liquid Assets Securities System (FL CLASS), a local government investment pool organized under the laws of the State of Florida pursuant to Florida Statutes (FS) 163.01 and is an authorized investment under FS 218.415, is presented at Net Asset Value (NAV), which reflects fair value. The objectives of FL CLASS are to generate investment income while maintaining safety and liquidity. There are no restrictions or terms and conditions on the District in redeeming the investment and the District has no unfunded commitments related to this investment.

General Description: According to the Governmental Accounting Standards Board (GASB), in order for an investment pool to qualify for the use of

NOTE B - CASH AND INVESTMENTS, CONTINUED

amortized cost accounting for financial reporting purposes, it must meet all the criteria listed in GASB Statement No. 79. FL CLASS is managed as stable value NAV pool, while FL CLASS Enhanced Cash is managed with a floating NAV, but FL CLASS does not meet all of the specific criteria outlined in GASB 79 Paragraph 4, therefore the District reports this investment in the pool at fair value.

Fair Value: FL CLASS measures this investment at fair value and therefore, the District's investment in this pool is not required to be categorized within the fair value hierarchy for purposes of paragraph 81a(2) of Statement 72.

FL CLASS is rated by S&P Global Ratings. The current rating is "AAAm." FL CLASS Enhanced Cash is rated by Fitch Ratings. The current rating is 'AAAf/S1.'

Custodial Credit Risk: FL CLASS is an external investment pool and therefore is not subject to custodial credit risk; the investment in this pool is exempt from the reporting requirement.

Interest Rate Risk: The dollar weighted average days to maturity (WAM) of FL CLASS at September 30, 2023, was 71 days and the weighted average life (WAL) was 71 days.

A "AAAM' rating by S&P Global Ratings is obtained after S&P evaluated a number of factors including credit quality, market prices exposure, and management. Ratings are subject to change and do not remove credit risk.

Weighted Average Maturity (WAM) calculates the average number of days until maturity for a portfolio of securities. WAM uses the next interest rate reset date, call dated or put date in the calculation and therefore should always be less than or equal to weighted average life (WAL).

Weighted Average Life (WAL) calculates the average number of days until maturity for a portfolio of securities using the stated maturity date for all securities, including variable rate, callable or puttable securities.

The FL CLASS financial audit is available at: http://www.FLCLASS.com

NOTE B - CASH AND INVESTMENTS, CONTINUED

The District also participated in the Florida Surplus Asset Fund Trust (FL SAFE) Stable NAV, a local government investment pool. FL SAFE is organized pursuant to Florida Statutes (FS) 163.01 and is an authorized investment under FS 218.415. The Indenture of Trust provides for the creation of multiple separate investment portfolios called "Series" within the FL SAFE and sets forth the manner in which the Series can be created and managed. Currently FL SAFE is a liquid stable net asset value $1.00 fund (Stable NAV), a variable net asset value fund (Variable NAV). FL SAFE is governed by a Board of Trustees consisting of representatives from its local government members. The Administrator is Florida Management and Administrative Services, LLC, and the Investment Advisor is Prudent Man Advisors, LLC.

The FL SAFE Stable NAV Fund is a liquid money market-like investment rated AAAm by Standard & Poor's. The fund invest in high-quality fixed income investments with a weighted average maturity if less than 60 days. It seeks to maintain, but does not guarantee, a constant net asset value at $1.00 per share. The FL SAFE Variable NAV Fund invests in high-quality fixed income investments with an average maturity of about one year. It is rated AAAf/S1 by Standard & Poor's.

The District has no unfunded commitments to FL SAFE, FL CLASS or Florida PRIME, and is allowed daily redemptions and investments with a 1-day minimum holding period.

Following is a discussion of the various risks applicable to the District's FL CLASS and FL SAFE investments and how the District responds to those risks.

Interest Rate Risk: Interest rate risk exists when changes in interest rates could adversely affect an investment's fair value. When interest rates rise, the value of fixed rate securities fall. The District manages its exposure by adhering to FS 218.415(17).

Credit Risk: Credit quality risk results from potential default of investments that are not financially sound. The District assures the credit quality of its portfolio by investing in state-approved investment pools and U.S. government/agency securities. In addition, the investment policy requires specific ratings for investments in money market funds, bankers' acceptances, and state/local government obligations. The District manages its exposure by adhering to FS 218.415(17).

NOTE B - CASH AND INVESTMENTS, CONTINUED

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District limits this risk by permitting investments permitted by FS 218.415(17).

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributable to the dollar amount of investments with a single issuer. The District limits this risk by limiting investments permitted by FS 218.415(17).

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The District's investment policy limits investments to investments permitted by FS 218.415(17).

The Fund does not invest in derivatives, asset backed commercial paper or mortgage backed securities.

The Fund management believes it is exempt from GASB 72 fair value hierarchy disclosures.

The FL SAFE financial audit is available at: http://FLASAFE.org

NOTE C - ACCOUNTS RECEIVABLE, NET

Accounts receivable, net, consist of the following at September 30:

	2023	2022
Customer receivables (water/sewer)	$ 892,642	$ 812,634
Less allowance for doubtful accounts	(89,264)	(81,244)
Net receivables	$ 803,378	$ 731,390

Bad debt expense was $33,372 and $11,501 for the years ended September 30, 2023 and 2022, respectively.

NOTE D - GRANT AND ASSESSMENT RECEIVABLES

Grant and assessment receivables consisted of the following at September 30:

	2023	2022
Grant receivable	$ 138,230	$ 156,083
Special Assessments	902,992	980,874
	$ 1,041,222	$ 1,136,957

The District levied a special assessment of $1,060,900 on system users benefiting from the system improvements (ArrowHead) funded by the $4,932,000 Series 2013 Revenue Bonds during the year ended September 30, 2014. The assessment collections are restricted to principal reduction of the Series 2013 Revenue Bonds. The assessment was initially levied through the Collier County Tax Collector on November 1, 2013. The assessment is a one time assessment payable in full or over 20 years by the affected system users. The special assessment had the following activity for the years ended September 30:

	2023	2022
Balance, beginning of year	$ 583,489	$ 636,953
Assessment levied	-	-
Collections	(53,045)	(53,464)
Balance, end of year	$ 530,444	$ 583,489

The District levied a special assessment of $496,731 on system users benefiting from system improvements on State Road 29 during the year ended September 30, 2019. The assessment was initially levied through the Collier County Tax Collector on November 1, 2018. The assessment is a one time assessment payable in full or over 20 years by the affected system users. The special assessment had the following activity for the years ended September 30:

	2023	2022
Balance, beginning of year	$ 397,385	$ 421,837
Assessment levied	-	-
Collections	(24,837)	(24,452)
Balance, end of year	$ 372,548	$ 397,385

NOTE E - CAPITAL ASSET ACTIVITY

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

	Balance October 1 2022	Additions	Retirements	Adjustments/ Reclassifications	Balance September 30 2023
Capital Assets Not Being Depreciated:					
Land	$ 2,645,941	$ -	$ -	$ -	$ 2,645,941
Construction in Progress	3,593,683	2,548,992	-	(578,119)	5,564,556
Total Capital Assets Not Being Depreciated	6,239,624	2,548,992	-	(578,119)	8,210,497
Capital Assets Being Depreciated:					
Buildings & Improvements	1,677,771	-	-	143,255	1,821,026
Water and Wastewater Plant and Systems	89,843,527	747,104	-	434,864	91,025,495
Machinery & Equipment	3,624,858	99,415	(12,499)	-	3,711,774
Total Capital Assets Being Depreciated	95,146,156	846,519	(12,499)	578,119	96,558,295
Less Accumulated Depreciation:					
Buildings & Improvements	(994,600)	(43,865)	-	-	(1,038,465)
Plant and Systems	(40,267,105)	(2,328,164)	-	-	(42,595,269)
Machinery & Equipment	(1,853,558)	(164,319)	12,499	-	(2,005,378)
Total Accumulated Depreciation	(43,115,263)	(2,536,348)	12,499	-	(45,639,112)
Capital Assets, Net	$ 58,270,517	$ 859,163	$ -	$ -	59,129,680
				Related debt	(30,033,357)
				Net Investment in Capital Assets	$ 29,096,323

NOTE E - CAPITAL ASSET ACTIVITY, CONTINUED

The depreciation expense for the years ended September 30, 2023 and 2022 was $2,536,348 and $2,534,093, respectively. During the years ended September 30, 2023 and 2022, the District continued construction on its system-wide improvements.

During the year ended September 30, 2018, the District early implemented GASB Statement No. 89, "Accounting for Interest Cost Incurred Before the End of a Construction Period". The implementation of the pronouncement requires the interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statement prepared using the economic resources measurement focus. As a result, no interest costs were capitalized on the project for fiscal years ended September 30, 2023 and 2022.

NOTE F - RETIREMENT PLANS

Plan Description and Provisions

Section 401(a) Plan

The District historically offered all its employees the opportunity to participate in an individual government employer-sponsored defined contribution 414(h) Money Purchase Pick-Up Retirement Plan and Trust (the "Plan"). Effective January 1, 2009, the District restated its retirement plan. As such, the restated plan qualifies as a 401(a) Money Purchase defined contribution plan. The Plan is administered by a third party administrator. The employer funds substantially all the administrative costs of the Plan.

The Plan allows all employees to participate after three (3) months creditable employment. Employees who elect to participate must contribute three (3%) percent of their gross wages, excluding overtime compensation, up to $3,000. If the employee desires to defer more than $3,000 they can defer those amounts into the available IRC Section 457 Plan. The employer is required to contribute six (6%) percent of the respective participating employees' gross wages, excluding overtime compensation. Employer contributions into the 401(a) Plan are only required for those participating employees who contribute three (3%) of their gross wages, as defined. During the years ended September 30, 2023, 2022, and 2021, the District contributed 100% of its required contributions.

NOTE F - RETIREMENT PLANS, CONTINUED

Plan Description and Provisions, continued

Section 401(a) Plan

The District's gross contributions (employer portion) to the Plan for the years ended September 30, 2023, 2022 and 2021 were $169,897, $156,771 and $148,649 respectively. Employee contributions to the Plan were $76,759, $85,337 and $82,610, respectively for the years ended September 30, 2023, 2022, and 2021, respectively. There were no forfeitures used to reduce employer contributions.

Benefits available are limited to the value of the respective employee's individual account. Individuals direct the investment of their individual account. Benefits vest at a rate of twenty (20%) percent per year of creditable service and vest in full after five years of creditable service. A creditable year of service is defined as a year in which an eligible participant completes 1,000 hours of service. Employees immediately vest in their contributions. Normal retirement shall be considered to be attainment of age 55 and completion of five (5) creditable years of service. Employees who fail to complete five (5) years creditable service vest in their respective accounts at twenty (20%) percent per completed year of creditable service. The Plan requires retirement at April 1 following the date the participant reaches age 70 1/2. The Plan provides that forfeitures of employer contributions by non-vested terminated employees are to be used to offset future employer contributions. Therefore, employer contributions made to employee accounts who fail to complete the respective year revert back to the employer. Benefits available to the employee from the Plan are those generated from the respective employees account. The employees account may lose principal. The District has no liability for losses, if any, incurred by the plan. Loans to participants are permitted from the participant's specific account. Participants should refer to the complete plan document for specific detail of the Plan.

Section 457 Plan

Effective November 1, 2012, the District approved a resolution to establish a Deferred Compensation Plan to be made available to all eligible District employees pursuant to Section 457 of the Internal Revenue Code (IRC). The Plan is administered by a third party administrator. The employer funds substantially all administrative costs of the Plan. All contributions made to the Plan are voluntary deductions from employees' wages, with no contributions to the Plan made by the District. Employees are eligible to participate after 3 months employment and attainment of age 18. Deferral amounts are limited per IRS Code Section 457(e)(15). For the year ended September 30, 2023 the deferral limit to the Plan was $20,500. Employees are immediately vested in their salary deferral amounts.

NOTE G - REVENUE BONDS PAYABLE

The following is a summary of the District's revenue bonds payable for the years ended September 30:

	Amount
Balances - September 30, 2021	$ 30,311,969
Principal retired	(10,549,969)
Bonds issued	10,514,000
Balances - September 30, 2022	30,276,000
Principal retired	(865,200)
Bonds issued	-
Balances - September 30, 2023	29,410,800
Issuance premium - unamortized	251,482
	$ 29,662,282

Revenue Bonds payable is comprised of the following at September 30:

	2023	2022
$4,932,000 Series 2013, Water and Sewer Revenue Bonds, issued March 1, 2013, through USDA Rural Development. Principal and interest are payable annually beginning September 1, 2016 through September 1, 2052; interest payable annually at the rate of 2.5%; collateralized by the gross operating revenues of the system and a special assessment levied on the lands benefited by the system.	$ 4,434,000	$ 4,498,000
$17,134,000 Series 2018 A & B, Water and Sewer Revenue Bonds, issued May 3, 2018, through USDA Rural Development. Interest only due September 1, 2018, then principal and interest are payable annually beginning September 1, 2019 through September 1, 2057; interest payable annually at the rate of 2.25%; collateralized by the gross operating revenues of the system and a special assessments levied on the lands benefited by the system.	15,674,000	15,979,000
$9,570,000 Refunding Bonds Series 2022, issued May 12, 2022 through US Bank to refund the Series 1989, 1996, 1998, 2001 and 2008 USDA Rural Development Bonds. Principal is payable annually beginning September 1, 2022 and semi-annual interest payable each March 1 and September 1, beginning September 1, 2022 through September 1, 2042; interest payable at the rate of 4%; collateralized by the gross operating revenues of the system.	8,375,000	8,855,000

NOTE G - REVENUE BONDS PAYABLE, CONTINUED

	2023	2022
$944,000 Series 2022, Water and Sewer Revenue Bonds, issued June 25, 2022, through USDA Rural Development. Interest only due September 1, 2022, then principal and interest are payable annually beginning September 1, 2023 through September 1, 2042; interest payable annually at the rate of 2.00%; collateralized by the gross operating revenues of the system. These bonds were issued at a premium of $280,761.	927,800	944,000
	29,410,800	30,276,000
Less: Current portion (due in one year)	(889,147)	(849,000)
Long-term portion	28,521,653	29,427,000
Plus: Unamortized premium on refunding	251,482	279,838
Balance, less current portion	$ 28,773,135	$ 29,706,838

Bond Resolutions

The bond resolutions established certain accounts and determined the order in which certain revenues are to be deposited into those accounts. In addition, there are various other covenants established by the respective bond official statements and District resolutions, including such items as debt service coverage, reporting requirements, and maintenance of facilities. The bond issues require certain sinking fund balances be maintained. At September 30, 2023, the District had fully funded the sinking fund via 3 separate cash accounts. Management believes that it has complied, in all material respects, with these covenants. All Reserve balances at September 30,2023 and 2022, are reflected as restricted deposits within these financial statements.

NOTE G - REVENUE BONDS PAYABLE, CONTINUED

Bond Resolutions

A summary of revenue bond debt service requirements to maturity is as follows September 30:

Years Ending September 30	Principal	Interest	Total
2024	$ 889,147	$ 817,569	$ 1,706,716
2025	919,473	788,773	1,708,246
2026	948,805	758,938	1,707,743
2027	984,144	728,089	1,712,233
2028	1,015,490	696,001	1,711,491
2029 - 2033	5,650,892	2,966,702	8,617,594
2034 - 2038	5,100,653	2,071,026	7,171,679
2039 - 2043	4,012,440	1,431,664	5,444,104
2044 - 2048	3,416,360	973,299	4,389,659
2049 - 2053	3,686,532	560,129	4,246,661
2054 - 2058	2,669,089	166,014	2,835,103
2059 - 2062	117,775	6,828	124,603
	29,410,800	11,965,032	41,375,832
Premium	251,482	-	251,482
	$ 29,662,282	$ 11,965,032	$ 41,627,314

Revenue bond debt interest expense was $842,757 and $904,824 for the years ended September 30, 2023 and 2022, respectively. No revenue bond debt interest expense was capitalized in either year.

The District paid a premium of $280,761 when it issued the 2022 refunding bonds. As such, it is amortizing the premium over 20 years (the life of the related bonds). The District recognized amortization expense of $28,356 and $923 for the years ended September 30, 2023 and 2022, respectively. Accumulated amortization at Septemer 30, 2023 and 2022 was $29,249 and $923, respectively.

NOTE G - REVENUE BONDS PAYABLE, CONTINUED

Debt Refunding

On May 12, 2022, the District issued Refunding Revenue Bonds, Series 2022, through a commercial bank loan/bond in the amount of $9,570,000 at a fixed interest rate of 4% requiring principal payments annually through September 1, 2042. Proceeds of the bond were used to refund the following outstanding bond agreements:

	Principal Balance at Refunding Date	Interest Rate	Maturity Date
Bond Series 1989	$ 1,716,000	5.00%	September 1, 2031
Bond Series 1996	2,551,000	5.125%	September 1, 2035
Bond Series 1998	521,000	4.50%	September 1, 2038
Bond Series 2001	1,623,000	4.50%	September 1, 2041
Bond Series 2008	2,811,000	4.375%	September 1, 2047
	$ 9,222,000		

The refunding resulted in a reduction of future debt service payments by approximately $972,718 and obtained an economic gain of $764,142.

The $9,570,000 Series 2022 refunding bonds were issued at a premium of $280,761. During the year ended September 30, 2022, the premium of $280,761 was amortized in the amount of $923 and included interest expense at September 30, 2022. The net premium was $279,838.

NOTE H - LOANS PAYABLE - SRF

The following is a summary of the District's loans payable activity for the year ended September 30:

	DEP.SRF DW110120	DEP.SRF DW110121	Total
Balance-September 30, 2021	$ 237,913	$ 187,866	$ 425,779
Principal retired	(21,014)	(16,812)	(37,826)
Balance-September 30, 2022	216,899	171,054	387,953
Principal retired	(21,588)	(17,221)	(38,809)
Balance-September 30, 2023	$ 195,311	$ 153,833	$ 349,144

The loans payable - SRF activity for the year ended September 30 is as follows:

	2023	2022
$419,681 loan payable representing 15% of a grant/loan payable to Florida Department of Environmental Protection. The maximum amount of the loan is $2,735,112, in which the FDEP has forgiven $2,324,845 of the note. The loan also required the District to capitalize interest of $9,414 during the year ended September 30, 2011. Interest accrues at 2.71%. Principal and interest is payable in forty (40) semi-annual payments of $13,660 in May and November beginning November 15, 2011. Final payment due May 2031. The loan is collateralized by the gross operating revenues of the system and assessments levied on the lands benefited by the system.	$ 195,311	$ 216,899
$335,504 loan payable to Florida Department of Environmental Protection. The loan requires forty (40) semi-annual payments of $10,637 in November and May beginning November 15, 2011. The loan required the District to capitalize interest of $7,346 during the year ended September 30, 2011. Final payment date May 2031. Interest accrues at 2.43%. The loan is collateralized by the gross operating revenues of the system and assessments levied on the lands benefited by the system.	153,833	171,054
Total loans payable	349,144	387,953
Less current portion:	(39,820)	(38,810)
	$ 309,324	$ 349,143

NOTE H - LOANS PAYABLE - SRF, CONTINUED

Years Ending September 30	Principal	Interest	Total
2024	$ 39,820	$ 8,775	$ 48,595
2025	40,856	7,739	48,595
2026	41,919	6,676	48,595
2027	43,011	5,584	48,595
2028	44,131	4,465	48,596
2029 - 2031	139,407	6,378	145,785
	$ 349,144	$ 39,617	$ 388,761

Loans payable - SRF related interest expense was $9,403 and $10,770 for the years ended September 30, 2023 and 2022, respectively. No loan interest costs were capitalized in either year.

NOTE I - CAPITAL LEASE

On October 31, 2018, the District entered into a sixty (60) month, 0% interest capital lease agreement, for the lease of eight (8) vehicles, in the amount of $219,307. Monthly payments are $3,655 plus monthly maintenance fees. Payments began in April, 2019 with final payment due in March 2024. The lease agreement is collateralized by the respective eight (8) vehicles.

The following is a summary of the District's capital lease payable for the years ended September 30:

	Amount
Balances - September 30, 2021	$ 109,654
Proceeds	-
Principal payments	(43,862)
Balances - September 30, 2022	65,792
Proceeds	-
Principal payments	(43,861)
Balances - September 30, 2023	$ 21,931

The cost of capital assets under lease was $219,307 at September 30, 2023. The accumulated depreciation was $197,375 and the current year depreciation expense was $43,861 on those capital assets.

NOTE I - CAPITAL LEASE, CONTINUED

A summary of capital lease debt service requirements to maturity is as follows at September 30:

Years Ending September 30	Principal	Interest	Total
2024	$ 21,931	$ -	$ 21,931
	$ 21,931	$ -	$ 21,931

Interest expense related to the capital lease was $0 and $0 for the years ended September 30, 2023 and 2022, respectively.

NOTE J - LINE OF CREDIT

On October 15, 2018, the District renewed an agreement with a financial institution to establish an uncollateralized $1 million revolving Line of Credit (LOC) to be used for emergency situations. The LOC is available, although the District had not borrowed any funds from the LOC for the years ended September 30, 2022 or 2021. The LOC required interest paid quarterly and principal at maturity. Interest accrues at Prime Rate plus .50% with a floor rate of 3.75%. The LOC was due in full on October 15, 2022 and was not renewed. Interest rate at September 30, 2022 was 6.75%.

NOTE K - BOND ANTICIPATION NOTE

On May 4, 2020 the District entered into a Bond Anticipation Note (BAN) with a financial institution to provide interim construction financing for improvements to water facilities, clarifier project, in the amount of $944,000. Interest payable at 2.15% is due every six months. The BAN requires accrued interest and principal payable every six (6) months and upon maturity. The note is collateralized by a commitment from the USDA Rural Development Program. At September 30, 2023 and 2022, the BAN payable balance was $0 and $0, respectively.
Interest expense for the years ended September 30, 2023 and 2022 was $7,539 and $7,539 and no loan interest costs were capitalized. Upon completion of the related construction project, the BAN was replaced by permanent financing from USDA by the $944,000 Series 2022, Water and Sewer Revenue Bonds.

NOTE L - ACCRUED COMPENSATED ABSENCES

Employees of the District are entitled to paid vacation based on length of service and job classification at termination. Unused accrued sick time is not paid at termination. Accrued compensated absences had the following activity for the year ended September 30:

	Amount
Accrued compensated absences, September 30, 2021	$ 166,545
Net increase	7,350
Accrued compensated absences, September 30, 2022	173,895
Net decrease	(5,841)
Accrued compensated absences, September 30, 2023	$ 168,054

NOTE M - CONTINGENCIES

Litigation

The District, from time to time, is involved as a defendant or a plaintiff in certain litigation and claims arising in the ordinary course of operations. As such, the District maintains third party insurance coverages. In the opinion of legal counsel, the range of potential recoveries or liabilities will not materially affect the financial position of the District. The District intends to vigorously defend all claims unless first settled. Potential losses, if any, may be recoverable through insurance coverages.

Federal Grants

Grant monies received by the District are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the District does not believe that such disallowances, if any, would have a material effect on the financial position of the District.

The operations of the District are dependent upon the condition of the District's facilities. These facilities are currently being rehabilitated and improved substantially through the receipt of federal funding. Loss or reduction of such funding would have a material effect on the operations of the District.

NOTE N - NET POSITION (NET ASSETS)

Restricted net assets consist of the following at September 30:

	2023	2022
Restricted assets	$ 5,627,430	$ 4,811,594
Less: liabilities payable from restricted cash	(2,678,023)	(2,648,407)
	$ 2,949,407	$ 2,163,187

Unrestricted net assets consist of the following at September 30:

	2023	2022
Designated for emergencies	$ 941,631	$ 941,631
Designated for operations	4,800,738	3,982,093
Designated for vehicle replacement	607,483	607,483
Designated for capital equipment	1,000,000	1,000,000
Designated for future capital projects	1,000,000	3,523,000
Designated for maint. reserve - wastewater	-	1,000,000
Designated for maint. reserve - water	5,100,198	500,000
Total Designated	13,450,050	11,554,207
Undesignated	-	2,236,708
Total unrestricted net assets	$ 13,450,050	$ 13,790,915

NOTE O - 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.

Insurance programs for general/professional liability, automobile, and property are through commercial insurance. The District retains the risk of loss, on insured claims, up to a deductible amount (ranging from 0% to 5% of total insured value depending on the type of loss) with the risk of loss in excess of this amount transferred to the insurance carrier. Limits of general liability are $1,000,000 per occurrence. The District is third party insured for employee health as well as workers' compensation.

NOTE P - COMMITMENTS

On July 23, 2019, the USDA obligated funds to the District for a $2,760,236 Clarifier Rehabilitation Project to be funded with a $944,000 (loan #28) Series 2022 Water and Sewer Revenue bonds and a $765,000 (grant #29) grant. The remaining funds will be provided by the District. The project began in June 2020 and is estimated to be completed in May 2023. As of September 30, 2023, $3,483,935 was expended for this project.

In May 2022, the District began a Clay Sewer Pipe Restoration Project to be funded with District reserves. The project is estimated to be completed in June 2024 and has an estimated total budget of $1,655,200. As of September 30, 2023, $1,520,180 was expended for this project.

On June 30, 2023, the District entered into an agreement to purchase land for future construction of an administrative building. The purchase price is $1,025,000, contingent on the District being able to obtain a use permit and gaining approval to relocate power lines. As of September 30, 2023, a $10,000 deposit was placed by the District in escrow toward the purchase of this parcel of land.

As noted above, the District is preparing to construct a new administrative building. As of September 30, 2023, the District has expended $105,097 in preconstruction costs.

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

IMMOKALEE WATER & SEWER DISTRICT
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL WITH RECONCILIATION TO GAAP BASIS
Year ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance
OPERATING REVENUES				
Water service	$ 4,160,686	$ 4,598,844	$ 4,598,844	$ -
Wastewater service	6,072,380	6,570,231	6,570,231	-
Meter service charge	863,953	953,604	953,604	-
Late fees	85,516	167,046	167,046	-
Reconnect and transfer fees	106,129	134,803	134,803	-
Miscellaneous charges, fees and other income	141,153	267,070	267,070	-
Cross connection control fee	375,000	474,518	474,518	-
TOTAL OPERATING REVENUES	11,804,817	13,166,116	13,166,116	-
OPERATING EXPENSES				
WATER TREATMENT				
Salaries and wages	316,248	309,927	309,927	-
Overtime	14,793	15,418	15,418	-
FICA	25,184	24,334	24,334	-
Unemployment taxes	1,613	103	103	-
Employer pension contribution	19,752	18,665	18,664	1
Health/life insurance	80,515	103,549	103,549	-
Workers' compensation	3,597	3,597	3,597	-
Travel and training	8,000	7,901	7,901	-
Telephone and fax	5,800	8,558	8,558	-
Electric	230,775	230,483	230,483	-
General liability insurance	12,306	12,306	12,306	-
Comprehensive auto insurance	2,241	2,241	2,241	-
Other insurance	37,856	39,243	39,243	-
Repairs and maintenance	378,000	268,623	268,623	-
Other contract services	30,000	21,450	21,450	-
Vehicle fuel	16,066	12,275	12,274	1
Vehicle maintenance	8,000	2,683	2,683	-
Equipment maintenance	-	-	3,319	(3,319)
Vehicle Lease	30	-	-	-
Office expense	8,000	11,190	11,190	-
Licenses and permits	1,000	4,391	4,391	-
Chemicals	120,000	140,910	140,910	-
Other materials	89,715	77,970	77,976	(6)
Tools	2,500	1,348	1,348	-
Safety and security	10,000	27,402	27,402	-
Laboratory fees	28,000	37,734	37,734	-
Uniforms/clothing allowance	1,200	1,049	1,049	-
Memberships/periodicals/books	1,500	440	439	1
SUB-TOTAL WATER TREATMENT	1,452,691	1,383,790	1,387,112	(3,322)

The accompanying notes are an integral part of this statement.

IMMOKALEE WATER & SEWER DISTRICT
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL WITH RECONCILIATION TO GAAP BASIS, CONTINUED
Year ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance
WATER DISTRIBUTION				
Salaries and wages	648,038	569,352	569,352	-
Overtime	30,818	35,000	35,000	-
FICA	51,640	45,141	45,141	-
Unemployment taxes	3,308	351	351	-
Employer pension contribution	40,502	33,183	33,183	-
Health/life insurance	279,077	232,234	232,234	-
Workers' compensation	9,891	9,891	9,891	-
Accounting/auditing	7,000	-	-	-
Engineering services	22,000	-	-	-
Travel and training	4,400	12,522	12,522	-
Telephone and fax	-	5,201	5,201	-
Electric	-	-	-	-
General liability insurance	13,752	13,752	13,752	-
Comprehensive auto insurance	7,284	7,285	7,284	1
Other insurance	1,717	2,347	2,347	-
Repairs and maintenance	110,000	228,112	228,112	-
Water meter & registers replacement	122,000	-	-	-
Other contract services	40,000	13,957	13,957	-
Vehicle fuel	43,200	27,809	27,809	-
Vehicle maintenance	18,000	11,819	8,500	3,319
Vehicle Lease	300	284	284	-
Licenses and permits	500	980	980	-
Office expense	6,000	2,026	2,026	-
Other materials	110,000	251,168	241,388	9,780
Tools	17,000	10,737	10,737	-
Safety and security	7,000	15,557	15,557	-
Laboratory fees	7,000	-	-	-
Uniforms/clothing allowance	-	3,093	3,093	-
Memberships/periodicals/books	3,300	1,529	1,528	1
SUB-TOTAL WATER DISTRIBUTION	1,603,727	1,533,330	1,520,229	13,101
SUB-TOTAL WATER PLANTS/DISTRIBUTION	3,056,418	2,917,120	2,907,341	9,779

The accompanying notes are an integral part of this statement.

IMMOKALEE WATER & SEWER DISTRICT
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL WITH RECONCILIATION TO GAAP BASIS, CONTINUED
Year ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance
WASTEWATER TREATMENT				
Salaries and wages	612,104	643,988	643,988	-
Overtime	43,145	34,939	34,939	-
FICA	49,718	50,819	50,819	-
Unemployment taxes	3,185	53	52	1
Employer pension contribution	38,994	37,371	37,371	-
Health/life insurance	172,511	198,248	198,248	-
Workers' compensation	7,553	7,553	7,553	-
Other professional services	6,000	-	-	-
Engineering services	7,300	6,600	6,600	-
Travel and training	16,000	14,190	14,190	-
Telephone and fax	1,250	4,093	4,093	-
Electric	250,464	328,441	328,441	-
Section 8 electric	3,070	3,503	3,503	-
General liability insurance	24,636	24,636	24,636	-
Comprehensive auto insurance	3,362	3,362	3,362	-
Other insurance	137,424	138,776	138,776	-
Repairs and maintenance	248,300	224,036	224,036	-
Other contract services	180,100	199,889	199,889	-
Vehicle fuel	19,500	8,397	8,397	-
Vehicle maintenance	3,700	9,125	9,125	-
Vehicle Lease	250	290	290	-
Office expense	2,000	2,141	2,141	-
Licenses and permits	32,100	882	882	-
Chemicals	145,000	124,352	124,352	-
Other materials	25,000	27,297	27,297	-
Tools	1,550	484	484	-
Safety & security	5,250	17,808	17,808	-
Laboratory fees	80,000	81,892	81,892	-
Residuals management	255,000	315,396	315,396	-
Uniforms/clothing allowance	2,400	2,190	2,190	-
Memberships/periodicals/books	1,000	1,301	1,300	1
SUB-TOTAL WASTEWATER TREATMENT	2,377,866	2,512,052	2,512,050	2

The accompanying notes are an integral part of this statement.

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL WITH RECONCILIATION TO GAAP BASIS, CONTINUED

Year ended September 30, 2023

WASTEWATER COLLECTION	Original Budget	Final Budget	Actual	Variance
Salaries and wages	393,003	383,386	383,386	-
Overtime	27,120	32,325	32,325	-
FICA	31,882	31,180	31,180	-
Unemployment taxes	2,042	80	80	-
Employer pension contribution	25,006	22,204	22,204	-
Health/life insurance	124,987	129,724	129,724	-
Workers' compensation	4,496	4,496	4,496	-
Engineering services	38,000	-	-	-
Travel and training	10,000	11,317	11,317	-
Telephone and fax	3,500	4,595	4,595	-
Electric	58,855	56,912	56,912	-
General liability insurance	15,726	15,726	15,726	-
Comprehensive auto insurance	5,603	5,603	5,603	-
Other insurance	7,034	7,381	7,381	-
Repairs and maintenance	132,000	195,848	233,512	(37,664)
Other contract services	10,000	13,953	13,952	1
Vehicle fuel	13,000	13,247	13,247	-
Vehicle maintenance	8,000	12,561	12,561	-
Vehicle Lease	1,000	2,054	2,053	1
Office expense	3,000	851	851	-
Licenses and permits	200	265	265	-
Chemicals	18,000	15,655	15,655	-
Other materials	40,000	15,114	16,871	(1,757)
Tools	3,000	976	976	-
Safety security	6,000	13,542	13,542	-
Uniforms/clothing allowance	1,500	1,180	1,180	-
Memberships/periodicals/books	900	1,301	1,301	-
SUB-TOTAL WASTEWATER COLLECTION	983,854	991,476	1,030,895	(39,419)

The accompanying notes are an integral part of this statement.

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL WITH RECONCILIATION TO GAAP BASIS, CONTINUED

Year ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance
CUSTOMER SERVICE / ADMIN				
Salaries and wages	770,178	743,935	660,476	83,459
Overtime	-	22,076	22,078	(2)
FICA	58,919	57,742	57,742	-
Unemployment taxes	3,774	733	733	-
Employer pension contribution	46,211	40,148	40,148	-
Health/life insurance	203,747	225,601	225,601	-
Workers' compensation	8,992	8,991	8,991	-
Legal services	200,000	165,902	165,903	(1)
Other professional services	130,000	163,456	167,956	(4,500)
Accounting/auditing	50,000	42,000	42,000	-
Engineering services	500,000	753,343	770,455	(17,112)
Travel and training	25,000	37,680	37,680	-
Telephone and fax	4,500	4,059	4,059	-
Postage and freight	35,000	42,313	42,313	-
General liability insurance	12,340	12,341	12,341	-
Comprehensive auto insurance	560	560	560	-
Other insurance	44,003	46,540	46,540	-
Other contract services	55,000	140,052	141,302	(1,250)
Repairs and maintenance	2,500	3,135	3,135	-
Vehicle fuel	2,500	2,425	2,425	-
Vehicle maintenance	250	1,502	1,502	-
Vehicle Lease	1,100	2,193	2,192	1
Office expense	40,000	39,476	39,476	-
Miscellaneous bank fees	7,000	6,688	6,688	-
Miscellaneous expense	5,000	8,237	-	8,237
Arrowhead Assessment fees/discount	3,119	4,689	4,689	-
Community outreach programs	-	5,338	5,338	-
Advertising	6,500	10,343	10,343	-
Licenses and permits	200	123	123	-
Other materials	-	3,795	3,794	1
Safety & security	2,000	14,039	14,039	-
Uniforms/clothing allowance	2,000	1,244	1,244	-
Memberships/periodicals/books	10,000	13,591	13,591	-
Hurricane Ian - Supplies	-	-	6,115	(6,115)
SUB-TOTAL CUSTOMER SERVICE / ADMIN	2,230,393	2,624,290	2,561,572	62,718

The accompanying notes are an integral part of this statement.

IMMOKALEE WATER & SEWER DISTRICT
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL WITH RECONCILIATION TO GAAP BASIS, CONTINUED
Year ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance
MAINTENANCE				
Salaries and wages	325,795	305,443	305,443	-
Overtime	14,792	18,125	18,125	-
FICA	25,915	24,155	24,155	-
Unemployment taxes	1,660	151	151	-
Employer pension contribution	20,325	18,327	18,327	-
Health/life insurance	126,755	93,273	93,273	-
Workers' compensation	4,496	4,496	4,496	-
Travel and training	14,000	12,458	12,457	1
Telephone and fax	3,100	4,529	4,529	-
General liability insurance	9,408	9,408	9,408	-
Comprehensive auto insurance	7,844	7,845	7,845	-
Other insurance	1,361	1,708	1,708	-
Repairs and maintenance	7,500	5,668	5,668	-
Other contract services	8,000	5,314	7,754	(2,440)
Vehicle fuel	12,000	7,852	7,852	-
Vehicle maintenance	10,000	5,148	5,148	-
Vehicle lease	1,000	622	623	(1)
Licenses and permits	2,500	563	563	-
Chemicals	1,200	364	364	-
Office expense	-	3,909	3,909	-
Other materials	13,000	14,928	14,928	-
Tools	2,000	429	430	(1)
Safety & security	3,000	5,150	5,150	-
Uniforms/clothing allowance	1,200	900	900	-
Memberships/periodicals/books	1,000	1,272	1,097	175
SUB-TOTAL MAINTENANCE	617,851	552,037	554,303	(2,266)
DEPRECIATION				
Depreciation	-	-	2,536,348	(2,536,348)
SUB-TOTAL DEPRECIATION	-	-	2,536,348	(2,536,348)
TOTAL OPERATING EXPENSES	9,266,382	9,596,975	12,102,509	(2,505,534)
OPERATING PROFIT	$ 2,538,435	$ 3,569,141	$ 1,063,607	$ (2,505,534)

The accompanying notes are an integral part of this statement.

IMMOKALEE WATER & SEWER DISTRICT
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL WITH RECONCILIATION TO GAAP BASIS, CONTINUED
Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance
OPERATING PROFIT, BROUGHT FORWARD	$ 2,538,435	$ 3,569,141	$ 1,063,607	$ (2,505,534)
NON-OPERATING REVENUES (EXPENSES)				
Interest income	37,373	556,449	556,449	-
Contributed capital - grant - FDEP/EPA	5,980,000	-	-	-
Contributed capital - grant - USDA/FHA	382,500	-	434,696	434,696
Contributed capital - customers	-	167,100	167,100	-
Contributed capital - developers	-	-	747,104	747,104
Bond proceeds - Refunding bond	1,000,000	-	-	-
Bond proceeds - USDA	2,470,000	-	-	-
Other non-operating revenue	35,000	598,879	163,913	(434,966)
Capital outlay	(14,052,618)	(2,215,860)	(3,395,511)	(1,179,651)
Principal retirement - bonds	(1,076,000)	(865,200)	(865,200)	-
Principal retirement - SRF	(38,810)	(38,810)	(38,810)	-
Principal retirement - capital lease	(43,861)	(43,861)	(43,861)	-
Net Assets - brought forward	12,623,841	13,790,915	-	(13,790,915)
Net Assets - carryforward	(9,228,932)	(16,313,756)	-	16,313,756
Interest expense	(606,928)	823,804	(823,804)	(1,647,608)
Bad debt expense	(20,000)	(33,852)	(33,372)	480
Gain (Loss) on disposal of capital assets	-	5,051	5,051	-
NET NON-OPERATING REVENUES (EXPENSES)	(2,538,435)	(3,569,141)	(3,126,245)	442,896
NET PROFIT (LOSS)	$ -	$ -	$ (2,062,638)	$ (2,062,638)

Reconciliation:

Net profit (loss) (Non-GAAP Budgetary Basis)	$ (2,062,638)
Bond proceeds - Refunding bond	-
Bond proceeds - USDA	-
Capital outlay	3,395,511
Principal retirement - bonds	865,200
Principal retirement - SRF	38,810
Principal retirement - Capital lease	43,861
Increase in Net Position (GAAP Basis)	2,280,744
Net position - beginning of the year	43,215,036
Net position - end of the year	$ 45,495,780

The accompanying notes are an integral part of this statement.

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 Commissioners
Immokalee Water & Sewer District
1020 Sanitation Road
Immokalee, Florida 34142

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 business-type activities of Immokalee Water & Sewer District (the "District") which comprise the statement of net position as of September 30, 2023, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended and the related notes to the financial statements and have issued our report thereon dated March 5, 2024.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered Immokalee Water & Sewer 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 Immokalee Water & Sewer District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Immokalee Water & Sewer 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 were not identified.

We, however, noted certain other matters that we have reported in our Report to Management dated March 5, 2024.

Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing 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
March 5, 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 Commissioners
Immokalee Water & Sewer District
1020 Sanitation Road
Immokalee, Florida 34142

We have examined Immokalee Water & Sewer 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 Immokalee Water & Sewer District's compliance with those requirements. Our responsibility is to express an opinion on Immokalee Water & Sewer 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 Immokalee Water & Sewer 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 Immokalee Water & Sewer District's compliance with specified requirements.

In our opinion, Immokalee Water & Sewer 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 Immokalee Water & Sewer 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
March 5, 2024

INDEPENDENT AUDITOR'S REPORT TO MANAGEMENT

Board of Commissioners
Immokalee Water & Sewer District
1020 Sanitation Road
Immokalee, Florida 34142

We have audited the accompanying basic financial statements of Immokalee Water & Sewer District (the "District") as of and for the year ended September 30, 2023 and have issued our report thereon dated March 5, 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 Compliance and Other Matters based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards. Disclosures in that report, which is dated March 5, 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. Prior year comments that have not been resolved are repeated and updated 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. No such recommendations were noted to improve financial management except as noted below.

- 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 did not have any such findings.

- Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in 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. 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 not meet any of the criteria of a deteriorating financial condition as described in Auditor General Rule Section 10.554(1)(i)(5).a.

- Pursuant to Section 10.544(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(1)(i)6, Rules of the Auditor General, requires disclosure of certain unaudited data. See Exhibit 2.

- Pursuant to Section 10.554(1)(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 entity'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 March 5, 2024, included herein.

- Section 10.557(3)(m), Rules of the Auditor General, requires a notarized affidavit, related to impact fees, signed and sworn to be the Chief Financial Officer be included in the audit report. No such affidavit is included as the District has not implemented any Impact Fees.

PRIOR YEAR COMMENTS:

2022-1 Bank Reconciliation Should Agree to Ending General Ledger Balance

During the audit, we noted that the September 30, 2022 bank reconciliation for the operating account did not agree to the general ledger provided to us for audit. We recommend that all bank accounts be reconciled monthly to the monthly general ledger balance on a timely basis and that the reconciliation be reviewed and approved for accuracy.

2023 Addendum

This comment appears to be resolved.

2022-2 Fixed Asset Listing Should Include Identifying Tag Number

During fixed asset observation, it was noted that the fixed asset listing provided did not include the identifying tag number of the assets. The District does maintain a separate listing of the fixed assets which includes the tag number, however this information was not available on the fixed asset listing provided to us. We recommend that the fixed asset listing should be modified to include the asset tag number to ensure compliance with Florida Statutes and Florida Administrative Code 69I-73.

2023 Addendum

We continue to recommend that the fixed asset listing include the asset tag number.

CURRENT YEAR COMMENTS:

2023-1 Commissioners Should be Bonded

The District's Enabling Act LOF 78-494 and LOF 2022-258 requires each member of its Board of Commissioners to be bonded. The District currently has 6 Board seats filled. We noted at September 30, 2023 one of the six Board members was not properly bonded. We recommend the District immediately bond this Board member and ensure all members are properly bonded in the future.

2023-2 Security Deposits Bank Account Should Be Kept Funded

During the audit, we noted the district was not funded in the security deposits bank account to match the security deposits liability at fiscal year-end.

We recommend that the District client transfer money from other operating bank accounts to the security deposits bank account to maintain a balance that meets the amount of the liability.

2023-3 Outstanding Checks Should be Investigated

During the audit, we noted the District had outstanding checks that were outstanding for over twelve months.

We recommend that the District regularly investigate old outstanding checks and properly dispose of the outstanding checks over twelve months old.

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 Commissioners, 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
March 5, 2024

EXHIBIT 1

IMMOKALEE WATER & SEWER DISTRICT

IWSD Board of Commissioners

Mr. Joseph Brister
Chair

Ms. Patricia Anne Goodnight
Vice Chair

Ms. Bonnie Keen
Secretary

Mr. Robert Halman
Treasurer

Ms. Magda Ayala
Commissioner

Mr. Jack Johnson
Commissioner

March 19, 2024

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

Dear Ms. Norman:
This letter is in response to the Management Letter in the Immokalee Water and Sewer District's Year Ending September 30, 2023 audit, performed by Tuscan & Company, P.A.; which was presented to and accepted by the Board on March 20, 2024

PRIOR YEAR COMMENTS:

2022-2 Fixed Asset Listing Should Include Identifying Tag Number

During fixed asset observation, it was noted that the fixed asset listing provided did not include the identifying tag number of the assets. The District does maintain a separate listing of the fixed assets which includes the tag number, however this information was not available on the fixed asset listing provided to us. We recommend that the fixed asset listing should be modified to include the asset tag number to ensure compliance with Florida Statutes and Florida Administrative Code 69I-73.

2022 IWSD Response: *The District is in the process of placing tag numbers on assets and recording the tag numbers in the asset system. We will ensure that any new tag numbers placed on assets are added to the asset system in a timely manner.*

2023 Addendum - We continue to recommend that the fixed asset listing include the asset tag number

2023 IWSD Response: *The District is in the process of establishing a numbering system for all assets – fixed and rolling stock. Numbers will be placed on assets and those numbers will be recorded by the asset in the asset system.*

CURRENT YEAR COMMENTS:

2023-1 Commissioners Should be Bonded

The District's Enabling Act LOF 78-494 and LOF 2022-258 requires each member of its Board of Commissioners to be bonded. The District currently has 6 Board seats filled. We noted at September 30, 2023 one of the six Board members was not properly bonded. We recommend the District immediately bond this Board member and ensure all members are properly bonded in the future.

2023 IWSD Response: *The Commissioner's bond has since been renewed retroactively to the expiration date. All of the bonds for Commissioners and executive management will be*

IMMOKALEE WATER & SEWER DISTRICT

consolidated to one (1) bond company for efficiency in managing renewals. Currently, bonds are held with various companies making it difficult to monitor.

2023-2 Security Deposits Bank Account Should Be Kept Funded

During the audit, we noted the district was not funded in the security deposits bank account to match the security deposits liability at fiscal year-end. We recommend that the District client transfer money from other operating bank accounts to the security deposits bank account to maintain a balance that meets the amount of the liability.

2023 IWSD Response: *The issue is a timing issue to year-end (September 30, 2023). The District was between Finance Directors and staff did not perform the monthly fund transfer from the revenue account to the security deposit account and did not balance this with the general ledger system (Cougar Mountain) and the billing system (BillMaster). A process will be mapped out to ensure staff understands how the systems should balance monthly.*

2023-3 Outstanding Checks Should be Investigated

During the audit, we noted the District had outstanding checks that were outstanding for over twelve (12) months. We recommend that the District investigate old outstanding checks and properly dispose of the outstanding checks over twelve (12) months.

2023 IWSD Response: *In the past, the District has used, and will continue to use, the check register as a log for all outstanding checks throughout the year. On a monthly basis staff will review all outstanding checks to communicate to consumers about any outstanding checks older than six (6) months. This will be continued until the check becomes part of unclaimed property. At that time, the district will void the check and send the money to the state as part of the unclaimed property process.*

The District appreciates the efficient planning and performance of Tuscan & Company, P.A. during the audit to obtain reasonable assurance about the District's basic financial statements as well as their evaluation of the presentation of those statements. The District respects and values their effort, work product, and feedback.

Sincerely,

Sarah Catala, Executive Director

Jeff Carpenter, Finance Director

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). 44

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). 9

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) $3,030,457

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) $326,248

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). See Note P

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 pages 3 - 9.

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. See Note G

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. Initially levied in a prior year and collected over 20 years.
SR 29 $ 219
Arrowhead $ 47

b. The total amount of special assessments collected by or on behalf of the district.
Arrowhead $53,045 total for current year
SR 29 $24,837 total for current year

c. The total amount of outstanding bonds issued by the district and the terms of such bonds. $29,410,800

IMMOKALEE WATER & SEWER DISTRICT
ORIGINAL BUDGET (NON-GAAP) vs. ACTUAL WITH RECONCILIATION TO GAAP BASIS COMPARISON REPORT - UNAUDITED -
Year ended September 30, 2023

	Original Budget	Actual	Variance
OPERATING REVENUES			
Water service	$ 4,160,686	$ 4,598,844	$ 438,158
Wastewater service	6,072,380	6,570,231	497,851
Meter service charge	863,953	953,604	89,651
Late fees	85,516	167,046	81,530
Reconnect and transfer fees	106,129	134,803	28,674
Miscellaneous charges, fees and other income	141,153	267,070	125,917
Cross connection control fee	375,000	474,518	99,518
TOTAL OPERATING REVENUES	11,804,817	13,166,116	1,361,299
OPERATING EXPENSES			
WATER TREATMENT			
Salaries and wages	316,248	309,927	6,321
Overtime	14,793	15,418	(625)
FICA	25,184	24,334	850
Unemployment taxes	1,613	103	1,510
Employer pension contribution	19,752	18,664	1,088
Health/life insurance	80,515	103,549	(23,034)
Workers' compensation	3,597	3,597	-
Travel and training	8,000	7,901	99
Telephone and fax	5,800	8,558	(2,758)
Electric	230,775	230,483	292
General liability insurance	12,306	12,306	-
Comprehensive auto insurance	2,241	2,241	-
Other insurance	37,856	39,243	(1,387)
Repairs and maintenance	378,000	268,623	109,377
Other contract services	30,000	21,450	8,550
Vehicle fuel	16,066	12,274	3,792
Vehicle maintenance	8,000	2,683	5,317
Equipment maintenance	-	3,319	(3,319)
Vehicle Lease	30	-	30
Office expense	8,000	11,190	(3,190)
Licenses and permits	1,000	4,391	(3,391)
Chemicals	120,000	140,910	(20,910)
Other materials	89,715	77,976	11,739
Tools	2,500	1,348	1,152
Safety and security	10,000	27,402	(17,402)
Laboratory fees	28,000	37,734	(9,734)
Uniforms/clothing allowance	1,200	1,049	151
Memberships/periodicals/books	1,500	439	1,061
SUB-TOTAL WATER TREATMENT	1,452,691	1,387,112	65,579

The accompanying notes are an integral part of this statement.

IMMOKALEE WATER & SEWER DISTRICT
ORIGINAL BUDGET (NON-GAAP) vs. ACTUAL WITH RECONCILIATION TO GAAP BASIS COMPARISON REPORT - UNAUDITED - CONTINUED
Year ended September 30, 2023

	Original Budget	Actual	Variance
WATER DISTRIBUTION			
Salaries and wages	648,038	569,352	78,686
Overtime	30,818	35,000	(4,182)
FICA	51,640	45,141	6,499
Unemployment taxes	3,308	351	2,957
Employer pension contribution	40,502	33,183	7,319
Health/life insurance	279,077	232,234	46,843
Workers' compensation	9,891	9,891	-
Accounting/auditing	7,000	-	7,000
Engineering services	22,000	-	22,000
Travel and training	4,400	12,522	(8,122)
Telephone and fax	-	5,201	(5,201)
Electric	-	-	-
General liability insurance	13,752	13,752	-
Comprehensive auto insurance	7,284	7,284	-
Other insurance	1,717	2,347	(630)
Repairs and maintenance	110,000	228,112	(118,112)
Water meter & registers replacement	122,000	-	122,000
Other contract services	40,000	13,957	26,043
Vehicle fuel	43,200	27,809	15,391
Vehicle maintenance	18,000	8,500	9,500
Vehicle Lease	300	284	16
License and permits	500	980	(480)
Office expense	6,000	2,026	3,974
Other materials	110,000	241,388	(131,388)
Tools	17,000	10,737	6,263
Safety and security	7,000	15,557	(8,557)
Laboratory fees	7,000	-	7,000
Uniforms/clothing allowance	-	3,093	(3,093)
Memberships/periodicals/books	3,300	1,528	1,772
SUB-TOTAL WATER DISTRIBUTION	1,603,727	1,520,229	83,498
SUB-TOTAL WATER PLANTS/DISTRIBUTION	3,056,418	2,907,341	149,077

The accompanying notes are an integral part of this statement.

IMMOKALEE WATER & SEWER DISTRICT
ORIGINAL BUDGET (NON-GAAP) vs. ACTUAL WITH RECONCILIATION TO GAAP BASIS COMPARISON REPORT - UNAUDITED - CONTINUED
Year ended September 30, 2023

	Original Budget	Actual	Variance
WASTEWATER TREATMENT			
Salaries and wages	612,104	643,988	(31,884)
Overtime	43,145	34,939	8,206
FICA	49,718	50,819	(1,101)
Unemployment taxes	3,185	52	3,133
Employer pension contribution	38,994	37,371	1,623
Health/life insurance	172,511	198,248	(25,737)
Workers' compensation	7,553	7,553	-
Other professional services	6,000	-	6,000
Engineering services	7,300	6,600	700
Travel and training	16,000	14,190	1,810
Telephone and fax	1,250	4,093	(2,843)
Electric	250,464	328,441	(77,977)
Section 8 electric	3,070	3,503	(433)
General liability insurance	24,636	24,636	-
Comprehensive auto insurance	3,362	3,362	-
Other insurance	137,424	138,776	(1,352)
Repairs and maintenance	248,300	224,036	24,264
Other contract services	180,100	199,889	(19,789)
Vehicle fuel	19,500	8,397	11,103
Vehicle maintenance	3,700	9,125	(5,425)
Office expense	2,000	2,141	(141)
Vehicle Lease	250	290	(40)
Licenses and permits	32,100	882	31,218
Chemicals	145,000	124,352	20,648
Other materials	25,000	27,297	(2,297)
Tools	1,550	484	1,066
Safety & security	5,250	17,808	(12,558)
Laboratory fees	80,000	81,892	(1,892)
Residuals management	255,000	315,396	(60,396)
Uniforms/clothing allowance	2,400	2,190	210
Memberships/periodicals/books	1,000	1,300	(300)
SUB-TOTAL WASTEWATER TREATMENT	2,377,866	2,512,050	(134,184)

The accompanying notes are an integral part of this statement.

IMMOKALEE WATER & SEWER DISTRICT
ORIGINAL BUDGET (NON-GAAP) vs. ACTUAL WITH RECONCILIATION TO GAAP BASIS COMPARISON REPORT - UNAUDITED - CONTINUED
Year ended September 30, 2023

	Original Budget	Actual	Variance
WASTEWATER COLLECTION			
Salaries and wages	393,003	383,386	9,617
Overtime	27,120	32,325	(5,205)
FICA	31,882	31,180	702
Unemployment taxes	2,042	80	1,962
Employer pension contribution	25,006	22,204	2,802
Health/life insurance	124,987	129,724	(4,737)
Workers' compensation	4,496	4,496	-
Engineering services	38,000	-	38,000
Travel and training	10,000	11,317	(1,317)
Telephone and fax	3,500	4,595	(1,095)
Electric	58,855	56,912	1,943
General liability insurance	15,726	15,726	-
Comprehensive auto insurance	5,603	5,603	-
Other insurance	7,034	7,381	(347)
Repairs and maintenance	132,000	233,512	(101,512)
Other contract services	10,000	13,952	(3,952)
Vehicle fuel	13,000	13,247	(247)
Vehicle maintenance	8,000	12,561	(4,561)
Vehicle Lease	1,000	2,053	(1,053)
Office expense	3,000	851	2,149
Licenses and permits	200	265	(65)
Chemicals	18,000	15,655	2,345
Other materials	40,000	16,871	23,129
Tools	3,000	976	2,024
Safety security	6,000	13,542	(7,542)
Uniforms/clothing allowance	1,500	1,180	320
Memberships/periodicals/books	900	1,301	(401)
SUB-TOTAL WASTEWATER COLLECTION	983,854	1,030,895	(47,041)

The accompanying notes are an integral part of this statement.

IMMOKALEE WATER & SEWER DISTRICT
ORIGINAL BUDGET (NON-GAAP) vs. ACTUAL WITH RECONCILIATION TO GAAP BASIS COMPARISON REPORT - UNAUDITED - CONTINUED
Year ended September 30, 2023

	Original Budget	Actual	Variance
CUSTOMER SERVICE / ADMIN			
Salaries and wages	770,178	660,476	109,702
Overtime	-	22,078	(22,078)
FICA	58,919	57,742	1,177
Unemployment taxes	3,774	733	3,041
Employer pension contribution	46,211	40,148	6,063
Health/life insurance	203,747	225,601	(21,854)
Workers' compensation	8,992	8,991	1
Legal services	200,000	165,903	34,097
Other professional services	130,000	167,956	(37,956)
Accounting/auditing	50,000	42,000	8,000
Engineering services	500,000	770,455	(270,455)
Travel and training	25,000	37,680	(12,680)
Telephone and fax	4,500	4,059	441
Postage and freight	35,000	42,313	(7,313)
General liability insurance	12,340	12,341	(1)
Comprehensive auto insurance	560	560	-
Other insurance	44,003	46,540	(2,537)
Other contract services	55,000	141,302	(86,302)
Repairs and maintenance	2,500	3,135	(635)
Vehicle fuel	2,500	2,425	75
Vehicle maintenance	250	1,502	(1,252)
Vehicle Lease	1,100	2,192	(1,092)
Office expense	40,000	39,476	524
Miscellaneous bank fees	7,000	6,688	312
Miscellaneous expense	5,000	-	5,000
Arrowhead Assessment fees/discount	3,119	4,689	(1,570)
Community outreach programs	-	5,338	(5,338)
Advertising	6,500	10,343	(3,843)
Licenses and permits	200	123	77
Other materials	-	3,794	(3,794)
Safety & security	2,000	14,039	(12,039)
Uniforms/clothing allowance	2,000	1,244	756
Memberships/periodicals/books	10,000	13,591	(3,591)
Hurricane Ian - Supplies	-	6,115	(6,115)
SUB-TOTAL CUSTOMER SERVICE / ADMIN	2,230,393	2,561,572	(331,179)

IMMOKALEE WATER & SEWER DISTRICT
ORIGINAL BUDGET (NON-GAAP) vs. ACTUAL WITH RECONCILIATION TO GAAP BASIS COMPARISON REPORT - UNAUDITED - CONTINUED
Year ended September 30, 2023

	Original Budget	Actual	Variance
MAINTENANCE			
Salaries and wages	325,795	305,443	20,352
Overtime	14,792	18,125	(3,333)
FICA	25,915	24,155	1,760
Unemployment taxes	1,660	151	1,509
Employer pension contribution	20,325	18,327	1,998
Health/life insurance	126,755	93,273	33,482
Workers' compensation	4,496	4,496	-
Travel and training	14,000	12,457	1,543
Telephone and fax	3,100	4,529	(1,429)
General liability insurance	9,408	9,408	-
Comprehensive auto insurance	7,844	7,845	(1)
Other insurance	1,361	1,708	(347)
Repairs and maintenance	7,500	5,668	1,832
Other contract services	8,000	7,754	246
Vehicle fuel	12,000	7,852	4,148
Vehicle maintenance	10,000	5,148	4,852
Vehicle lease	1,000	623	377
Licenses and permits	2,500	563	1,937
Chemicals	1,200	364	836
Office expense	-	3,909	(3,909)
Other materials	13,000	14,928	(1,928)
Tools	2,000	430	1,570
Safety & security	3,000	5,150	(2,150)
Uniforms/clothing allowance	1,200	900	300
Memberships/periodicals/books	1,000	1,097	(97)
SUB-TOTAL MAINTENANCE	617,851	554,303	63,548
DEPRECIATION			
Depreciation	-	2,536,348	(2,536,348)
SUB-TOTAL DEPRECIATION	-	2,536,348	(2,536,348)
TOTAL OPERATING EXPENSES	9,266,382	12,102,509	(2,836,127)
OPERATING PROFIT	$ 2,538,435	$ 1,063,607	$ (1,474,828)

The accompanying notes are an integral part of this statement.

IMMOKALEE WATER & SEWER DISTRICT
ORIGINAL BUDGET (NON-GAAP) vs. ACTUAL WITH RECONCILIATION TO GAAP BASIS COMPARISON REPORT - UNAUDITED - CONTINUED
Year ended September 30, 2023

	Original Budget	Actual	Variance
OPERATING PROFIT, BROUGHT FORWARD	$ 2,538,435	$ 1,063,607	$ (1,474,828)
NON-OPERATING REVENUES (EXPENSES)			
Interest income	37,373	556,449	519,076
Contributed capital - grant - FDEP/EPA	5,980,000	-	(5,980,000)
Contributed capital - grant - USDA/FHA	382,500	434,696	52,196
Contributed capital - customers	-	167,100	167,100
Contributed capital - developers	-	747,104	747,104
Debt proceeds - Capital lease	1,000,000	-	(1,000,000)
Bond proceeds - USDA	2,470,000	-	(2,470,000)
Other non-operating revenue	35,000	163,913	128,913
Capital outlay	(14,052,618)	(3,395,511)	10,657,107
Principal retirement - bonds	(1,076,000)	(865,200)	210,800
Principal retirement - SRF	(38,810)	(38,810)	-
Principal retirement - capital lease	(43,861)	(43,861)	-
Net Assets - brought forward	12,623,841	-	(12,623,841)
Net Assets - carryforward	(9,228,932)	-	9,228,932
Interest expense	(606,928)	(823,804)	(216,876)
Bad debt expense	(20,000)	(33,372)	(13,372)
Gain (Loss) on disposal of assets	-	5,051	5,051
NET NON-OPERATING REVENUES (EXPENSES)	(2,538,435)	(3,126,245)	(587,810)
NET PROFIT (LOSS)	$ -	$ (2,062,638)	$ (2,062,638)

Reconciliation:

Net profit (loss) (Non-GAAP Budgetary Basis)	$ (2,062,638)
Bond proceeds - Refunding bond	-
Debt proceeds - BAN	-
Capital outlay	3,395,511
Principal retirement - bonds	865,200
Principal retirement - SRF	38,810
Principal retirement - Capital lease	43,861
Increase in Net Position (GAAP Basis)	2,280,744
Net position - beginning of the year	43,215,036
Net position - end of the year	$ 45,495,780

The accompanying notes are an integral part of this statement.