

VILLAGE OF INDIANTOWN

Basic Financial Statements and
Supplementary Information
For the Year Ended September 30, 2023

Village of Indiantown, Florida
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INTRODUCTORY SECTION

Village of Indiantown, Florida
List of Principal Officials
Council/Village Manager Form of Government
September 30, 2023

Village Council

Susan Gibbs-Thomas, Mayor
Angelina Perez, Vice Mayor

Carmine Dipaolo
Janet Hernández
Guyton Stone

Village Manager

Taryn Kryzda, MPA

Village Clerk

LaRhonda McBride

Village Attorney

Wade C. Vose, ESQ

Finance Director

Michael Florio, BSc.

Village Auditors

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the Village Council
Village of Indiantown, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Indiantown, Florida (the "Village"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management 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 Village's ability to continue as a going concern for 12 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 and *Government 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 and *Government 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 Village'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 Village'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining and individual fund financial statements and schedules as listed in the table of contents, and the schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 by us. In our opinion, based on our audit, the combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

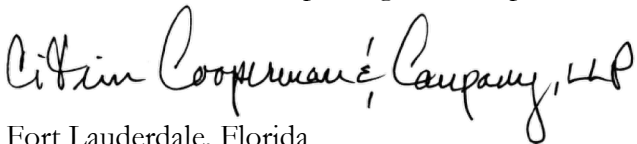
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2025, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's 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 Village's internal control over financial reporting and compliance.



Fort Lauderdale, Florida
February 28, 2025

The Village of Indiantown, Florida's, (the "Village") discussion and analysis is designed to: (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Village's financial activity, (c) identify changes in the Village's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and to identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Village's financial statements (beginning on page 10).

Financial Highlights

The following are the highlights of financial activity for the year ended September 30, 2023:

- The assets and deferred outflows of resources of the Village exceeded its liabilities and deferred inflows of resources at September 30, 2023, by approximately \$ 23.6 million (net position).
- During fiscal year 2023, the Village's net position increased by approximately \$ 5.7 million resulting from current operations.
- At the end of the fiscal year, the General Fund reported a fund balance of approximately \$ 6.9 million, or 147.1% of the General Fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements, which have the following components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements: The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances in a manner similar to that of a private-sector business. The Village's government-wide financial statements include the statement of net position and the statement of activities.

The *Statement of Net Position* presents information on all of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the Village, with the difference being 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 Village is improving or deteriorating. The Statement of Activities presents information showing how the Village's net position changed during the most recent fiscal year. Changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Accordingly, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (for example, uncollected taxes and earned, but unused vacation leave).

Village of Indiantown, Florida
Management’s Discussion and Analysis
September 30, 2023

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes, charges for services, and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, transportation, and culture/recreation.

The following is a condensed summary of net position for the Village:

	Net Position					
	As of September 30, 2023 and 2022					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets:						
Current and other assets	\$ 10,790,505	\$ 11,081,147	\$ 4,312,522	\$ 2,002,309	\$ 15,103,027	\$ 13,083,456
Capital assets	5,510,265	4,907,454	11,064,744	9,928,584	16,575,009	14,836,038
Total assets	16,300,770	15,988,601	15,377,266	11,930,893	31,678,036	27,919,494
Deferred Outflows of Resources	950,349	1,046,489	313,429	330,470	1,263,778	1,376,959
Liabilities:						
Other liabilities	2,812,530	4,786,415	138,761	526,796	2,951,291	5,313,211
Long-term liabilities	1,863,122	2,503,591	3,468,119	3,493,375	5,331,241	5,996,966
Total liabilities	4,675,652	7,290,006	3,606,880	4,020,171	8,282,532	11,310,177
Deferred inflows of resources	1,079,639	47,202	13,774	14,906	1,093,413	62,108
Net Position:						
Net investment in capital assets	5,510,265	4,647,357	8,137,681	6,677,646	13,647,946	11,325,003
Restricted	239,408	1,731	-	-	239,408	1,731
Unrestricted	5,746,155	5,048,794	3,932,360	1,548,640	9,678,515	6,597,434
Total net position	\$ 11,495,828	\$ 9,697,882	\$ 12,070,041	\$ 8,226,286	\$ 23,565,869	\$ 17,924,168

Total liabilities of the Village’s governmental activities decreased by approximately \$ 2 million from fiscal year 2022. The decrease is due primarily to earned revenues from ARPA and timing of vendor payments as compared to the prior year. The increase in deferred inflows of resources for the governmental activities is a result of funds community trust funds not being available for current period expenditures.

The Villages business-type activities current and other assets increased by approximately \$ 2.3 million. The increase is due primarily to the purchase of investments and an increase in internal balances resulting from payments between funds.

Village of Indiantown, Florida
Management's Discussion and Analysis
September 30, 2023

The following schedule reports the revenues, expenses and change in net position for the Village:

	Changes in Net Position					
	For the year ended September 30, 2023 and 2022					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 460,503	\$ 477,102	\$ 3,086,803	\$ 2,433,294	\$ 3,547,306	\$ 2,910,396
Operating grants and contributions	40,000	98,930	718,952	59,776	758,952	158,706
Capital grants and contributions	170,758	2,171,464	1,500,000	601,187	1,670,758	2,772,651
General revenues:						
Property taxes	3,260,434	3,219,674	-	-	3,260,434	3,219,674
Intergovernmental revenue	1,948,418	1,171,882	-	-	1,948,418	1,171,882
Gas taxes	-	378,635	-	-	-	378,635
Other taxes	282,333	69,486	-	-	282,333	69,486
Franchise fees	502,184	431,816	-	-	502,184	431,816
Investment income	281,718	5,709	89,062	90	370,780	5,799
Miscellaneous	87,518	49,958	-	-	87,518	49,958
Total revenues	7,033,866	8,074,656	5,394,817	3,094,347	12,428,683	11,169,003
Operating Expenses:						
General government	3,628,628	3,167,750	-	-	3,628,628	3,167,750
Transportation	733,159	568,836	-	-	733,159	568,836
Culture and recreation	476,224	488,753	-	-	476,224	488,753
Utility	-	-	1,948,971	1,851,317	1,948,971	1,851,317
Total expenses	4,838,011	4,225,339	1,948,971	1,851,317	6,786,982	6,076,656
Increase in net position before transfers	2,195,855	3,849,317	3,445,846	1,243,030	5,641,701	5,092,347
Transfers	(397,909)	(383,158)	397,909	383,158	-	-
Increase in net position	1,797,946	3,466,159	3,843,755	1,626,188	5,641,701	5,092,347
Net Position, Beginning	9,697,882	6,231,723	8,226,286	6,600,098	17,924,168	12,831,821
Net Position, Ending	<u>\$ 11,495,828</u>	<u>\$ 9,697,882</u>	<u>\$ 12,070,041</u>	<u>\$ 8,226,286</u>	<u>\$ 23,565,869</u>	<u>\$ 17,924,168</u>

Capital grants and contributions for the Village's governmental activities decreased by approximately \$ 2 million. The decrease is a result of state grant funding received in the prior year.

The Village's business-type activity total revenue increased by approximately \$2.3 million. The increase is a result of a rate increase, and state grant funding for water utility construction and stormwater equipment.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for the governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The Village maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the governmental funds.

For the General fund, cash and cash equivalents decreased by approximately \$ 5.9 million mainly as a result of the Village purchasing investments. Accounts payable decreased by approximately \$ 1.2 million mainly due to timing of vendor payments when compared to the prior year. Intergovernmental revenue decreased by approximately \$ 1.6 million and capital outlay decreased by approximately \$ 1.4 million as a result of grant-funded drainage improvements activity coming to a close in the current year.

Proprietary Funds: The Village reports one proprietary fund – the Water and Wastewater Fund. Proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

For the Water and Wastewater fund, cash and cash equivalents decreased by \$ 579,880 mainly as a result of the Village purchasing investments. Charges for services increased by \$ 653,509 as rates were increased.

Village of Indiantown, Florida
Management's Discussion and Analysis
September 30, 2023

Capital Assets and Debt Administration

Capital Assets: As of year-end, the Village had approximately \$ 16.6 million in capital assets (net of accumulated depreciation). The Village completed construction and placed into service drainage improvements in the Booker Park region of approximately \$ 2.1 million. Significant additions during the year included \$ 754,977 in stormwater equipment and \$ 635,720 in water utility construction in progress related to a 12-inch water main fire loop.

**Capital Assets (Net of Depreciation)
As of September 30, 2023 and 2022**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 1,450,572	\$ 1,450,572	\$ 775,980	\$ 775,980	\$ 2,226,552	\$ 2,226,552
Construction in progress	299,475	2,180,574	1,874,576	1,238,856	2,174,051	3,419,430
Infrastructure	3,466,308	966,072	-	-	3,466,308	966,072
Building improvements	21,193	85,489	-	-	21,193	85,489
Improvements other than building	-	-	7,656,970	7,597,830	7,656,970	7,597,830
Lease assets	21,695	47,728	-	-	21,695	47,728
Equipment	251,022	177,019	757,218	315,918	1,008,240	492,937
Total	<u>\$ 5,510,265</u>	<u>\$ 4,907,454</u>	<u>\$ 11,064,744</u>	<u>\$ 9,928,584</u>	<u>\$ 16,575,009</u>	<u>\$ 14,836,038</u>

Additional information can be found in Note 5 of the financial statements.

Long-Term Liabilities: As of year-end, total long-term liabilities of the Village were approximately \$ 5.3 million. \$ 2,284,698 of the liability was for the Village's proportionate share of the net pension liability of the Florida Retirement System. The balance of the remaining liabilities consists of \$ 2,927,063 outstanding principal related to the State Revolving Fund loan program for clean water and drinking water programs, and \$ 87,808 in accrued compensated absences.

**Long-Term Liabilities
As of September 30, 2023 and 2022**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Net pension liability	\$ 1,782,065	\$ 1,348,078	\$ 502,633	\$ 425,709	\$ 2,284,698	\$ 1,773,787
Compensated absences	49,385	49,385	38,423	19,139	87,808	68,524
Lease liability	31,672	67,314	-	-	31,672	67,314
Notes and loans payable	-	-	2,927,063	3,048,527	2,927,063	3,048,527
Total debt	<u>\$ 1,863,122</u>	<u>\$ 1,464,777</u>	<u>\$ 3,468,119</u>	<u>\$ 3,493,375</u>	<u>\$ 5,331,241</u>	<u>\$ 4,958,152</u>

Additional information can be found in Note 7 of the financial statements.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) concerning the Village's progress in funding its obligation to provide pension benefits to its employees. This section also includes a comparison between the adopted and final budget and actual financial results for the Village's major Governmental funds. A budgetary comparison schedule has been provided for the major Governmental funds to demonstrate compliance with the budget.

Budgetary Highlights: The Village continued further implementation of key elements in support of the adopted Strategic Action Plan in the FY 2022-2023 Adopted Budget. Those items included the following:

- The General fund required changes to the original budget for ARPA project expenditures that were delayed. The General fund revenue was greater than budgeted and expenditures were lower than budgeted. General fund revenue was more than budgeted by \$ 632,912. This variance is due primarily to a favorable variance in grant funding received and building permits issued. General fund expenditures were lower than budgeted by \$ 83,837 as result of vacancies in the public works department.

Financial Information Contacts: The Village's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the Village's finances and to demonstrate the Village's accountability. If you have any questions about the report or need additional financial information, contact the Village's Finance Director at 15516 SW Osceola Street, Suite B, Indiantown, FL 34956, or call (772) 597-9900.

BASIC
FINANCIAL STATEMENTS

Village of Indiantown, Florida
Statement of Net Position
September 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	\$ 4,398,161	\$ 942,685	\$ 5,340,846
Investments	6,528,304	1,237,473	7,765,777
Accounts receivables (net of allowances)	106,298	214,490	320,788
Due from other governments	218,075	353,862	571,937
Prepaid items and other assets	64,853	-	64,853
Internal balances	(1,564,012)	1,564,012	-
Restricted investments	1,038,826	-	1,038,826
Capital assets, not being depreciated	1,750,047	2,650,556	4,400,603
Capital assets, being depreciated, net	3,760,218	8,414,188	12,174,406
Total assets	16,300,770	15,377,266	31,678,036
Deferred Outflows of Resources:			
Pension related	950,349	313,429	1,263,778
Total deferred outflows of resources	950,349	313,429	1,263,778
Total assets and deferred outflows of resources	17,251,119	15,690,695	32,941,814
Liabilities:			
Accounts payable	153,996	75,374	229,370
Accrued payroll and benefits	35,507	-	35,507
Due to other governments	-	16,749	16,749
Unearned revenues	2,623,027	-	2,623,027
Customer deposits	-	42,595	42,595
Accrued interest	-	4,043	4,043
Noncurrent liabilities:			
Due in one year	41,549	143,019	184,568
Due in more than one year	1,821,573	3,325,100	5,146,673
Total liabilities	4,675,652	3,606,880	8,282,532
Deferred Inflows of Resources:			
Community trust	1,038,826	-	1,038,826
Pension related	40,813	13,774	54,587
Total deferred inflows of resources	1,079,639	13,774	1,093,413
Net Position:			
Net investment in capital assets	5,510,265	8,137,681	13,647,946
Restricted for:			
Coronavirus relief	239,408	-	239,408
Unrestricted	5,746,155	3,932,360	9,678,515
Total net position	11,495,828	12,070,041	23,565,869
Total liabilities, deferred inflows of resources and net position	\$ 17,251,119	\$ 15,690,695	\$ 32,941,814

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

Village of Indiantown, Florida
Statement of Activities
For the Year Ended September 30, 2023

Functions/Programs:	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental activities:							
General government	\$ 3,628,628	\$ 460,503	\$ 40,000	\$ 170,758	\$ (2,957,367)	\$ -	\$ (2,957,367)
Transportation	733,159	-	-	-	(733,159)	-	(733,159)
Culture and recreation	476,224	-	-	-	(476,224)	-	(476,224)
Total governmental activities	<u>4,838,011</u>	<u>460,503</u>	<u>40,000</u>	<u>170,758</u>	<u>(4,166,750)</u>	<u>-</u>	<u>(4,166,750)</u>
Business-type activities:							
Water and wastewater	<u>1,948,971</u>	<u>3,086,803</u>	<u>718,952</u>	<u>1,500,000</u>	<u>-</u>	<u>3,356,784</u>	<u>3,356,784</u>
Total business-type activities	<u>1,948,971</u>	<u>3,086,803</u>	<u>718,952</u>	<u>1,500,000</u>	<u>-</u>	<u>3,356,784</u>	<u>3,356,784</u>
Total primary government	<u>\$ 6,786,982</u>	<u>\$ 3,547,306</u>	<u>\$ 758,952</u>	<u>\$ 1,670,758</u>	<u>(4,166,750)</u>	<u>3,356,784</u>	<u>(809,966)</u>
General revenues and transfers:							
Property taxes					3,260,434	-	3,260,434
Intergovernmental revenue, unrestricted					1,948,418	-	1,948,418
Other taxes					282,333	-	282,333
Franchise fees					502,184	-	502,184
Investment income					281,718	89,062	370,780
Miscellaneous					87,518	-	87,518
Transfers					(397,909)	397,909	-
Total general revenues and transfers					<u>5,964,696</u>	<u>486,971</u>	<u>6,451,667</u>
Change in net position					1,797,946	3,843,755	5,641,701
Net Position, Beginning of Year					<u>9,697,882</u>	<u>8,226,286</u>	<u>17,924,168</u>
Net Position, End of Year					<u>\$ 11,495,828</u>	<u>\$ 12,070,041</u>	<u>\$ 23,565,869</u>

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

Village of Indiantown, Florida
Balance Sheet - Governmental Funds
September 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund (ARPA)</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Cash and cash equivalents	\$ 3,361,164	\$ 1,036,997	\$ -	\$ 4,398,161
Investments	6,528,304	-	-	6,528,304
Restricted investments	-	-	1,038,826	1,038,826
Accounts receivables	106,298	-	-	106,298
Due from other governments	218,075	-	-	218,075
Due from other funds	231,263	1,825,438	-	2,056,701
Prepaid expenditures	64,853	-	-	64,853
	<u>10,509,957</u>	<u>2,862,435</u>	<u>1,038,826</u>	<u>14,411,218</u>
Total assets	\$	\$	\$	\$
Liabilities:				
Accounts payable	\$ 153,996	\$ -	\$ -	\$ 153,996
Accrued payroll and benefits	35,507	-	-	35,507
Due to other funds	3,389,450	-	231,263	3,620,713
Unearned revenues	-	2,623,027	-	2,623,027
	<u>3,578,953</u>	<u>2,623,027</u>	<u>231,263</u>	<u>6,433,243</u>
Total liabilities	3,578,953	2,623,027	231,263	6,433,243
Fund Balances (Deficit):				
Nonspendable:				
Prepaid expenditures	64,853	-	-	64,853
Restricted for:				
Coronavirus relief	-	239,408	1,038,826	1,278,234
Unassigned	6,866,151	-	(231,263)	6,634,888
	<u>6,931,004</u>	<u>239,408</u>	<u>807,563</u>	<u>7,977,975</u>
Total fund balances (deficit)	6,931,004	239,408	807,563	7,977,975
Total liabilities and fund balances (deficit)	\$ <u>10,509,957</u>	\$ <u>2,862,435</u>	\$ <u>1,038,826</u>	\$ <u>14,411,218</u>

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

Village of Indiantown, Florida
Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
September 30, 2023

Fund Balances - Total Governmental Funds \$ 7,977,975

Amounts reported for governmental activities of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Governmental capital assets	\$ 6,141,775	
Accumulated depreciation	<u>(631,510)</u>	5,510,265

Deferred outflows, deferred inflows, and the net pension liability related to the Village's pension plan are not expected to be liquidated with expendable available financial resources and, therefore are not reported in the governmental funds.

Deferred outflows - pension	\$ 950,349	
Deferred inflows - pension	(40,813)	
Net pension liability	<u>(1,782,065)</u>	(872,529)

Certain liabilities are not due and payable in the current period and are therefore not reported in the governmental funds.

Compensated absences	\$ (49,385)	
Lease liability	<u>(31,672)</u>	(81,057)

Other deferred inflows are not available to pay for current period expenditures.

Community trust		<u>(1,038,826)</u>
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Net Position of Governmental Activities \$ 11,495,828

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

Village of Indiantown, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Year Ended September 30, 2023

	General Fund	Special Revenue Fund (ARPA)	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 3,260,434	\$ -	\$ -	\$ 3,260,434
Operating grants and contributions	210,758	-	-	210,758
Intergovernmental revenue	1,410,409	538,009	-	1,948,418
Franchise fees	502,184	-	-	502,184
Licenses and permits	303,266	-	-	303,266
Charges for services	8,392	-	-	8,392
Miscellaneous revenues	87,518	-	-	87,518
Development Review Applications	148,845	-	-	148,845
Other taxes	282,333	-	-	282,333
Investment income	246,422	36,997	37,125	320,544
Total revenues	<u>6,460,561</u>	<u>575,006</u>	<u>37,125</u>	<u>7,072,692</u>
Expenditures:				
Current:				
General government	2,937,435	49,500	40,030	3,026,965
Transportation	559,722	-	-	559,722
Culture and recreation	473,988	-	-	473,988
Capital outlay	700,897	-	191,263	892,160
Debt Service:				
Principal	35,642	-	-	35,642
Interest	3,063	-	-	3,063
Total expenditures	<u>4,710,747</u>	<u>49,500</u>	<u>231,293</u>	<u>4,991,540</u>
Excess (deficiency) of revenues over expenditures	<u>1,749,814</u>	<u>525,506</u>	<u>(194,168)</u>	<u>2,081,152</u>
Other Financing Sources (Uses):				
Transfers in	90,600	202,411	-	293,011
Transfers out	<u>(202,411)</u>	<u>(488,509)</u>	<u>-</u>	<u>(690,920)</u>
Total other financing sources (uses)	<u>(111,811)</u>	<u>(286,098)</u>	<u>-</u>	<u>(397,909)</u>
Change in fund balances	1,638,003	239,408	(194,168)	1,683,243
Fund Balances, Beginning of Year	<u>5,293,001</u>	<u>-</u>	<u>1,001,731</u>	<u>6,294,732</u>
Fund Balances (Deficit), End of Year	<u>\$ 6,931,004</u>	<u>\$ 239,408</u>	<u>\$ 807,563</u>	<u>\$ 7,977,975</u>

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

Village of Indiantown, Florida
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2023

Net Change in Fund Balances - Governmental Funds \$ 1,683,243

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is depreciated over their estimated useful lives.

Capital outlay	\$	892,012	
Less: current year depreciation		<u>(289,201)</u>	602,811

In the governmental funds, current year expenditures related to pensions are comprised solely of amounts contributed to the plan for the current year. However, in the statement of activities, expenses related to pensions include amounts that do require the use of current financial resources. This amount represents the difference in the required accounting treatment of pensions and related items.

Change in net pension liability	\$	(433,987)	
Change in deferred outflows related to pensions		(96,140)	
Change in deferred inflows related to pensions		6,389	
Change in deferred inflows - community trust		<u>(38,826)</u>	(562,564)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.

Principal paid on lease liability	\$	35,642	
Change in compensated absences		<u>38,814</u>	<u>74,456</u>

Change in Net Position of Governmental Activities \$ 1,797,946

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

Village of Indiantown, Florida
Statement of Net Position - Proprietary Fund
September 30, 2023

	Water And Wastewater Fund
Assets:	
Current assets:	
Cash and cash equivalents	\$ 942,685
Investments	1,237,473
Accounts receivable, net	214,490
Due from other funds	1,564,012
Due from other government	353,862
Total current assets	<u>4,312,522</u>
Noncurrent assets:	
Capital assets, not being depreciated	2,650,556
Capital assets, being depreciated, net	8,414,188
Total assets	<u>15,377,266</u>
Deferred Outflows of Resources:	
Pension related	<u>313,429</u>
Liabilities:	
Current liabilities:	
Accounts payable and accrued expenses	75,374
Accrued interest	4,043
Customer deposits	42,595
Due to other governments	16,749
Current portion, loan payable	135,335
Current portion, compensated absences payable	7,684
Total current liabilities	<u>281,780</u>
Noncurrent liabilities:	
Compensated absences payable	30,739
Net pension liability	502,633
Loan payable	2,791,728
Total noncurrent liabilities	<u>3,325,100</u>
Total liabilities	<u>3,606,880</u>
Deferred Inflows of Resources:	
Pension related	<u>13,774</u>
Net Position:	
Net investment in capital assets	8,137,681
Unrestricted	3,932,360
Total net position	<u>\$ 12,070,041</u>

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

Village of Indiantown, Florida
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund
For the Year Ended September 30, 2023

	Water And Wastewater Fund
Operating Revenues:	
Charges for services	\$ 3,086,803
Operating grants and contributions	718,952
	<u>3,805,755</u>
Operating Expenses:	
Personnel services	742,626
Other operating expenses	931,490
Depreciation	254,537
	<u>1,928,653</u>
Total operating expenses	<u>1,928,653</u>
Operating income	<u>1,877,102</u>
Nonoperating Revenues (Expenses):	
Interest income	89,062
Interest expense	(20,318)
	<u>68,744</u>
Total nonoperating revenues (expenses)	<u>68,744</u>
Income before contributions and transfers	<u>1,945,846</u>
Contributions and Transfers:	
Capital contributions	1,500,000
Transfer in	488,509
Transfer out	(90,600)
	<u>1,897,909</u>
Total contributions and transfers	<u>1,897,909</u>
Increase in net position	3,843,755
Net Position, Beginning of Year	<u>8,226,286</u>
Net Position, End of Year	<u>\$ 12,070,041</u>

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

Village of Indiantown, Florida
Statement of Cash Flows - Proprietary Fund
For the Year Ended September 30, 2023

	Water and Wastewater Fund
Cash Flows From Operating Activities:	
Receipts from customers	\$ 3,045,382
Receipts from operating grant	365,090
Payment to employees for services	(630,509)
Payment to suppliers for goods and services	<u>(1,318,400)</u>
Net cash provided by operating activities	<u>1,461,563</u>
Cash Flows From Noncapital Financing Activities:	
Advances and transfers from other funds, net	<u>410,023</u>
Net cash provided by noncapital financing activities	<u>410,023</u>
Cash Flows From Capital and Related Financing Activities:	
Acquisition and construction of capital assets, net	(1,390,697)
Interest and other fiscal charges paid on capital debt, net	(20,494)
Capital contributions, net	229,600
Purchase of Investments	(1,237,473)
Principal payments on debt	(127,135)
Proceeds from debt	<u>5,671</u>
Net cash used in capital and related financing activities	<u>(2,540,528)</u>
Cash Flows From investing Activities	
Interest income	<u>89,062</u>
Net cash provided by investing activities	<u>89,062</u>
Net decrease in cash and cash equivalents	(579,880)
Cash and Cash Equivalents, Beginning of Year	<u>1,522,565</u>
Cash and Cash Equivalents, End of Year	<u>\$ 942,685</u>
Reconciliation of Operating Income to Net Cash Provided By Operating Activities:	
Operating income	\$ 1,877,102
Adjustments to reconcile operating income to net cash provided by operating activities:	
Provision for depreciation	254,537
Change in operating assets and liabilities:	
(Increase) decrease in assets:	
Accounts receivable, net	(29,483)
Prepaid items and other assets	1,125
Due from other government	(353,862)
Increase (decrease) in liabilities:	
Accounts payable	(388,035)
Compensated absences	19,284
Net pension liability	76,924
Deferred outflows relating to pensions	17,041
Deferred inflows relating to pensions	(1,132)
Customer deposits	<u>(11,938)</u>
Net cash provided by operating activities	<u>\$ 1,461,563</u>

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

Note 1 – Summary of Significant Accounting Policies

The Village of Indiantown, Florida (the “Village”), located in Martin County, Florida, is a municipal corporation in the State of Florida. The Village was incorporated on December 31, 2017, and began operations on March 21, 2018. The Village operates under a Council/Manager form of government.

The financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Village’s accounting policies are described below.

Reporting Entity: The financial statements were prepared in accordance with GASB, which establishes standards for defining and reporting on the financial reporting entity. The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of the elected officials. The financial reporting entity consists of the Village, organizations for which the Village is financially accountable, and other organizations for which the nature and significance of their relationship with the Village are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Village is financially accountable for a component unit if it appoints a voting majority of the organization’s governing board and it is able to impose its will on that organization, or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Village. Based upon the application of these criteria, there were no organizations that met the criteria described above.

Government-Wide and Fund Financial Statements: The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Village. For the most part, the effect of interfund activity has been removed from these statements.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments 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 or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. The major individual governmental funds and major enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds, as applicable.

Note 1 – Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation: The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements. The government-wide financial statements and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be measurable when the amount of the transaction can be determined. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, other post-employment benefits, and claims and judgments, are recorded only when due. General capital asset acquisitions, including contracts that give the Village the right to use assets, are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues, shown for proprietary operations, generally result from producing or providing goods and services such as water, sewer and solid waste collection. Operating expenses for these operations include all costs related to providing the service or product. These costs include salaries, supplies, travel, contract services, depreciation, administrative expenses, and other expenses directly related to costs of services. All other revenue and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

Taxes, intergovernmental revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Grants and other nonexchange revenues are recorded when all eligibility requirements (which often includes incurring qualifying expenditures) are met, including any time requirements, and the amount is received during the period or within the availability period as previously defined. Licenses and permits, certain charges for services, fines and forfeitures, and miscellaneous revenues are considered measurable and available when cash is received by the government. Revenue received in advance of fiscal year to which they apply is presented as unearned on the balance sheet.

The Village reports the following major governmental funds:

- The *General Fund* is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The ARPA Fund is a special revenue fund that was established to account for funds received under the American Rescue Plan associated with coronavirus, which are restricted for certain purposes.

Note 1 – Summary of Significant Accounting Policies (continued)

The Village reports the following major proprietary fund:

- The *Water and Wastewater Fund* accounts for the operations of the Village’s water and wastewater utility system.

Assets, Liabilities, and Fund Balance or Net Position:

Cash and cash equivalents: Cash and cash equivalents are defined as deposits with financial institutions, money market accounts, and money market mutual funds and highly liquid investments which are readily convertible to known amounts of cash and have a maturity when purchased of three months or less.

Investments: Investments are stated at their fair value, which is the price that would be received to sell an investment in an orderly transaction at year-end. Certain investments are stated at amortized cost if they have a remaining maturity of one year or less when purchased.

Receivables and Payables: Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds”.

Prepaid Items: Certain payments to vendors reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items in the governmental fund financial statements are classified as nonspendable fund balance. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets: Capital assets, which include property, plant and equipment, lease assets, and certain infrastructure assets (e.g., utility plants, roads, bridges, sidewalks, and similar items), are reported in the governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost or component of more than \$ 2,500 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset’s lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Building improvements	3-4 years
Equipment	5-30 years
Vehicles	12-15 years
Improvements other than buildings	25 years
Infrastructure	10-40 years

Right-to-use assets – The Village has recorded right-to-use lease assets as a result of implementing GASB 87. The right-to-use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use assets are amortized on a straight-line basis over the life of the related lease.

Note 1 – Summary of Significant Accounting Policies (continued)

Assets, Liabilities, and Fund Balance or Net Position (continued):

Compensated Absences: It is the Village's policy to permit employees to accumulate earned, but unused, vacation and sick pay benefits, which will be paid upon separation of service. Compensated absences are accrued when earned in the government-wide and proprietary fund financial statements. The liability for accrued compensated absences of governmental funds is reported in the balance sheet of the governmental funds when amounts are due.

Long-Term Obligations: In the government-wide financial statements and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. As applicable, debt premiums and discounts are deferred and amortized over the life of the indenture using the effective interest method. Debt issue costs are expensed as incurred. Debt payable is reported net of the applicable premium or discount.

In the governmental fund financial statements, debt issue costs, premiums and discounts are recognized during the current period. The face amount of debt issued is reported as other financing sources. Debt principal payments are reported as expenditures. Premiums received on debt issuances are reported as other financing sources while discounts of debt issuances are reported as other financing uses.

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System Pension Plan and Health Insurance Subsidy Program and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources: A deferred outflow of resources is a consumption of net assets that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net assets that is applicable to a future reporting period.

Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining lives of plan members. Experience gains or losses result from periodic studies by the Village's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service life of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five-year period. Additionally, any contributions made by the Village to the pension plan before year end but subsequent to the measurement date of the Village's net pension liability are reported as deferred outflows of resources. The changes in proportion and differences between Village contributions and proportionate share of contributions are also deferred and amortized against pension expense over a five-year period.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts of assets, liabilities, disclosures of contingent liabilities, revenues and expenditures/expenses reported in the financial statements and accompanying notes. These estimates include assessing the collectability of receivables and the useful lives of capital assets. Although these estimates as well as all estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

Note 1 – Summary of Significant Accounting Policies (continued)

Assets, Liabilities, and Fund Balance or Net Position (continued):

Unearned Revenues: Unearned revenue represents increases in assets prior to the eligibility criteria being met for recognition of revenue. Included in the balance is approximately \$ 2.6 million relating to the American Rescue Plan Act (“ARPA”) funding.

Net Position/Fund Balance Classification:

Net position in the government-wide and proprietary funds is classified as follows:

- a. Net investment in capital assets – This category groups all capital assets, including infrastructure into one component of net position. Accumulated depreciation and the outstanding balance of debt and other payables that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category. Unspent debt proceeds are added to this category.
- b. Restricted net position – This category presents external restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments and restrictions imposed by law through constitutional provisions in enabling legislation.
- c. Unrestricted net position – This category represents net position that does not meet the definition of “net investment in capital assets” or “restricted.”

Sometimes the Village will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Village’s policy to consider restricted – net position to have been depleted before unrestricted - net position is applied.

The Village classifies governmental fund balance as follows:

Nonspendable Fund Balance: This represents amounts that cannot be spent due to form (e.g., inventories, prepaid amounts) or are legally or contractually required to be maintained intact (such as corpus of an endowment fund).

Restricted Fund Balance: This represents amounts constrained for a specific purpose by external parties, such as creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance: This represents amounts that can only be used for specific purposes determined by a formal action (ordinance) of the Village Council, the Village’s highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Village Council removes those constraints by taking the same type of action.

Note 1 – Summary of Significant Accounting Policies (continued)

Assets, Liabilities, and Fund Balance or Net Position (continued):

Net Position/Fund Balance Classification (continued):

Assigned Fund Balance: Assigned fund balances include spendable fund balance amounts that are intended to be used for a specific purpose that are neither considered restricted nor committed. Intent is expressed by the Village Council or a body or official to which the Village Council have delegated authority, which is the Village Manager, to assign amounts to be used for specific purposes. Appropriations of existing fund balances to eliminate deficits in a future budget and encumbrances are considered assignments of fund balance. Assignments are generally temporary and normally the same formal action need not to be taken to remove the assignment.

Unassigned Fund Balance: This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it is the Village's policy to reduce the restricted amounts first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the Village's policy to reduce committed amounts first, followed by assigned amounts, and then unassigned amounts.

Note 2 – Deposits and Investments

Deposits: In addition to insurance provided by the Federal Depository Insurance Corporation ("FDIC"), all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or another banking institution. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as cash deposits are insured or collateralized.

Investments: The investment of funds is authorized by Florida Statutes, which allows the Village to invest in the Local Government Surplus Funds Trust or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, SEC-registered money market funds with the highest credit quality rating, interest-bearing time deposits or savings accounts in qualified public depositories and direct obligations of the United States Treasury. Certain investments of the proprietary fund are governed by Bond Indentures.

The Florida State Board Administration ("SBA") Pool, herein referred to as "Florida PRIME", is not a registrant with Securities and Exchange Commission ("SEC"); however, its board has adopted operating procedures consistent with the requirements for a 2a-7 fund. For the Florida PRIME, a 2a-7 like pool, the value of the Village's position is the same as the value of the pool shares and is recorded at amortized cost. In accordance with these requirements, the method used to determine the participant's shares sold and redeemed is the amortized cost method. Amortized cost includes accrued income and is a method of calculating an investment's value by adjusting its acquisition cost for the amortization of discount or premium over the period from purchase to maturity.

Note 2 – Deposits and Investments (continued)

The Village’s account balance in the SBA is its amortized cost. The SBA is governed by Chapter 19-7 of the Florida Administrative Code. These rules provide guidance and establish the general operating procedures for the administration of the SBA. Additionally, the Office of the Auditor General of the State of Florida performs the operational audit of the activities and investment of the SBA. The SBA accounts are not subject to custodial risk as these investments are not evidenced by securities that exist in physical or bank entry form.

In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, the Village’s investment in the Florida PRIME meets the definition of a qualifying investment pool that measures, for financial reporting purposes, all of its investments at amortized cost and should disclose the presence of any limitations or restrictions on withdrawals. 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.

Investments as of September 30, 2023, were as follows:

	Investments Measured at Amortized Cost	Maturity
State Board of Administration:		
Florida Prime	8,804,603	35 days

These deposits and investments are reflected in the accompanying statement of net position as cash and cash equivalents of \$ 5,340,846, investments of \$ 7,765,777 and restricted investments of \$ 1,038,826.

Credit risk: The State Board of Administration funds held by the Village are rated AAAM by Standard and Poor’s.

Interest rate risk: Florida Statutes state that the investment portfolio be structured in such a manner as to provide sufficient liquidity to pay obligations as they come due. The Village’s investments are not subject to interest rate risk.

Custodial credit risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. None of the Village’s investments are subject to custodial credit risk.

Note 3 – Receivables

Receivables as of September 30, 2023, for the Village’s major funds, are as follows:

	General Fund	Water and Wastewater	Total
Receivables			
Accounts	\$ 106,298	\$ 214,490	\$ 320,788
Due from other governments	218,075	353,862	571,937
	<u>\$ 324,373</u>	<u>\$ 568,352</u>	<u>\$ 892,725</u>

Village of Indiantown, Florida
Notes to Basic Financial Statements
September 30, 2023

Note 4 – Property Taxes

Property values are assessed on a county-wide basis by the Martin County Property Appraiser as of January 1st, the lien date. The Property Appraiser certifies taxable value of property within the Village and the Village levies a tax millage rate upon the taxable value, which will provide revenue required for the fiscal year beginning October 1st. Property taxes levied each November 1st by the Village and all other taxing authorities within the County are centrally billed and collected by the County Tax Collector, with remittances to the Village of its proportionate share of collected taxes. Taxes for the fiscal year beginning October 1st are billed in the month of November subject to a 1% per month discount for the period November through February and are due no later than March 31st of the subsequent year. On April 1st, unpaid amounts become delinquent with interest and penalties added thereafter. Beginning June 1st, tax certificates representing delinquent taxes with interest and penalties are sold by Martin County, with remittance to the Village for its share of those receipts. For the reported period, the Village did not levy any property taxes of its own.

Note 5 – Capital Assets

Capital asset activity for the year ended September 30, 2023, was as follows:

	Balance October 1, 2022	Additions	Transfers/ Deletions	Balance September 30, 2023
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,450,572	\$ -	\$ -	\$ 1,450,572
Construction in progress	2,180,574	248,746	2,129,845	299,475
Total capital assets, not being depreciated	<u>3,631,146</u>	<u>248,746</u>	<u>2,129,845</u>	<u>1,750,047</u>
Capital assets being depreciated:				
Infrastructure	1,122,612	512,843	2,129,845	3,765,300
Building improvements	153,960	5,020	-	158,980
Lease assets - equipment	104,133	-	-	104,133
Equipment	237,912	125,403	-	363,315
Total capital assets being depreciated	<u>1,618,617</u>	<u>643,266</u>	<u>2,129,845</u>	<u>4,391,728</u>
Less accumulated depreciation for:				
Infrastructure	156,540	142,452	-	298,992
Building improvements	68,471	69,316	-	137,787
Lease assets - equipment	56,405	26,033	-	82,438
Equipment	60,893	51,400	-	112,293
Total accumulated depreciation	<u>342,309</u>	<u>289,201</u>	<u>-</u>	<u>631,510</u>
Total capital assets depreciated, net	<u>1,276,308</u>	<u>354,065</u>	<u>2,129,845</u>	<u>3,760,218</u>
Governmental activities, net	<u>\$ 4,907,454</u>	<u>\$ 602,811</u>	<u>\$ -</u>	<u>\$ 5,510,265</u>
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 775,980	\$ -	\$ -	\$ 775,980
Construction in progress	1,238,856	635,720	-	1,874,576
Total capital assets, not being depreciated	<u>2,014,836</u>	<u>635,720</u>	<u>-</u>	<u>2,650,556</u>
Capital assets being depreciated:				
Improvements other than building	7,998,931	277,611	-	8,276,542
Equipment	319,097	477,366	-	796,463
Total capital assets being depreciated	<u>8,318,028</u>	<u>754,977</u>	<u>-</u>	<u>9,073,005</u>
Less accumulated depreciation for:				
Improvements other than building	401,101	218,471	-	619,572
Equipment	3,179	36,066	-	39,245
Total accumulated depreciation	<u>404,280</u>	<u>254,537</u>	<u>-</u>	<u>658,817</u>
Total capital assets depreciated, net	<u>7,913,748</u>	<u>500,440</u>	<u>-</u>	<u>8,414,188</u>
Business-type activities, net	<u>\$ 9,928,584</u>	<u>\$ 1,136,160</u>	<u>\$ -</u>	<u>\$ 11,064,744</u>

Village of Indiantown, Florida
Notes to Basic Financial Statements
September 30, 2023

Note 5 – Capital Assets (continued)

Depreciation expenses of \$ 113,676, \$ 173,289 and \$ 2,236 were charged to general governmental, transportation, and culture and recreation activities, respectively, in the current year. Depreciation expense of \$ 254,537 was charged to the Water and Wastewater fund in the current year.

Note 6 – Interfund Receivables/Payables

The net composition of interfund balances as of September 30, 2023, is as follows:

Receivable Fund	Payable Fund	Amount
General	Capital Improvement	\$ 231,263
Special Revenue (ARPA)	General	1,825,438
Water & Wastewater	General	<u>1,564,012</u>
Total Interfund Balances		<u>\$ 3,620,713</u>

The outstanding balances between funds result mainly from the time lag between the dates (1) interfund goods and services are provided or reimbursable expenditures occur, (2) and payments between funds are made.

Note 7 – Long-term Liabilities and Debt

The following schedule details the Village’s long-term liability and debt obligation activity for governmental and business-type activities for the year ended September 30, 2023:

	Balance October 1, 2022	Additions	Reductions	Balance September 30, 2023	Amounts Due Within One Year
Governmental activities:					
Net pension liability	\$ 1,348,078	\$ 433,987	\$ -	\$ 1,782,065	\$ -
Lease liability	67,314	-	35,642	31,672	31,672
Compensated absences	<u>88,199</u>	<u>73,683</u>	<u>112,497</u>	<u>49,385</u>	<u>9,877</u>
Total governmental activities	<u>\$ 1,503,591</u>	<u>\$ 507,670</u>	<u>\$ 148,139</u>	<u>\$ 1,863,122</u>	<u>\$ 41,549</u>
Business-type activities:					
Direct borrowings:					
State Revolving Fund - 430310	\$ 1,173,461	\$ -	\$ 41,174	\$ 1,132,287	\$ 41,174
State Revolving Fund - 430320	995,845	-	30,624	965,221	30,912
State Revolving Fund - 430330	151,969	-	-	151,969	-
State Revolving Fund - 430340	578,483	-	55,337	523,146	55,880
State Revolving Fund - 430350	148,769	5,671	-	154,440	7,369
Net pension liability	425,709	76,924	-	502,633	-
Compensated absences	<u>19,139</u>	<u>40,868</u>	<u>21,584</u>	<u>38,423</u>	<u>7,684</u>
Total business-type activities	<u>\$ 3,493,375</u>	<u>\$ 123,463</u>	<u>\$ 148,719</u>	<u>\$ 3,468,119</u>	<u>\$ 143,019</u>

Note 7 – Long-term Liabilities and Debt (continued)

The Village has an unsecured bank loan obtained from a local financial institution and was issued as a \$ 1,000,000 line of credit carrying an interest rate of prime minus 0.50% with a floor of 3% and a ceiling of 18%. The entire line of credit was unused as of September 30, 2023.

On September 21, 2020, the Village entered into two agreements, 430310 and 430320, with the Florida Department of Environmental Protection, State Revolving Fund, with the beginning of the repayment period on May 15, 2021. The two notes are payable in sixty semi-annual payments in a combined amount of \$ 40,542, including interest at the rate of 0.94% for 430320. 430310 does not bear interest. Loans are secured by the net revenues of the water and sewer system.

On February 24, 2021, the Village entered into two agreements with the Florida Department of Environmental Protection, State Revolving Fund, with the beginning of the repayment period for note 430340 on February 15, 2023, of twenty semi-annual loan payments of \$ 30,435 including interest at the rate of 0.98%; for note 430350, the repayment period begins on May 15, 2024, with twenty semi-annual loan payments of \$ 8,125 including interest at the rate of 0.98%. Loans are secured by the net revenues of the water and sewer system.

On May 26, 2021, the Village entered into an agreement with the Florida Department of Environmental Protection, State Revolving Fund – 430330, with the beginning of the repayment period on February 15, 2025. The note is payable in twenty semi-annual payments of \$ 8,164. No interest is charged on this note. This loan is secured by the net revenues of the water and sewer system.

Terms of Significant Events of Default Related to State Revolving Fund (SRF) Loans

Significant events of default by the Project Sponsor (Village of Indiantown) as stipulated in the loan agreements with the Department (Florida Department of Environmental Protection) are delineated as follows:

- Failure to make any installment of the Semiannual Loan Payments when due for a period of 30 days after the due date.
- Any proceeding instituted, with the acquiescence of the Project Sponsor, for the purpose of effecting a composition between the Project Sponsor and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are payable from Gross Revenues of the Water or Sewer System.
- Any bankruptcy, insolvency or other similar proceeding instituted by, or against, the Project Sponsor under federal or state bankruptcy or insolvency law now or hereafter in effect and, if instituted against the Project Sponsor, is not dismissed within 60 days after filing.
- Any charge that is brought alleging violations of any criminal law in the implementation of the Project or the administration of the proceeds from the loan agreement, against one or more officials of the Project Sponsor, by a State or Federal law enforcement authority, which charges are not withdrawn or dismissed within 60 days following the filing thereof.
- Failure of the Project Sponsor to give immediate written notice to the Department within 30 days of its knowledge of a potential default or an event of default.

Note 7 – Long-term Liabilities and Debt (continued)

Remedies of Default

All rights, remedies, and powers conferred in the loan agreements and transaction documents are cumulative and are not exclusive of any other rights or remedies, and are in addition to every other right, power, and remedy the Department may have, whether specifically granted within each loan agreement, or any other transaction document, or existing at law, in equity, or by statute. Any and all such rights and remedies of default may be exercised as often and in such order as the Department may deem expedient. Upon any of the events of default and subject to the rights of others having prior liens on the Pledged Revenues, the Department may enforce its rights by, *inter alia*, any of the following remedies:

- By mandamus or other proceeding at law or in equity, cause to establish rates and collect fees and charges for use of the Water and Sewer Systems, and to require the Project Sponsor to the terms of the loan agreement.
- By action or suit in equity, require the Project Sponsor to account for all moneys received from the Department or from the ownership of the Water and Sewer Systems and to account for the receipt, use, application, or disposition of Pledged Revenues.
- By action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the Department.
- By applying to a court of competent jurisdiction, cause to appoint a receiver to manage the Water and Sewer Systems, establish and collect fees and charges, and apply the revenues to the reduction of the obligations under the loan agreement(s).
- By certifying to the Auditor General and the Chief Financial Officer delinquency on loan repayments, the Department may intercept the delinquent amount plus six percent, expressed as an annual interest rate, penalty of the amount due to the Department from any unobligated funds due to the Project Sponsor under any revenue or tax sharing fund established by the State, except as otherwise provided by the State Constitution or State law. Penalty interest shall accrue on any amount due and payable beginning on the 30th day following the date upon which payment is due.
- By notifying financial market credit rating agencies and potential creditors.
- By suing for payment of amounts due, or becoming due, with interest on overdue payments together with all costs of collection, including attorneys' fees.
- By accelerating the repayment schedule or increasing the interest rate on the unpaid principal of each loan amount to as much as 16.67 times the Financing Rate.

Village of Indiantown, Florida
Notes to Basic Financial Statements
September 30, 2023

Note 7 – Long-term Liabilities and Debt (continued)

The estimated annual debt service requirements to maturity for debt outstanding as of September 30, 2023, are as follows:

Fiscal Year	Business-Type Activities:		
	Direct Borrowings		
	Principal	Interest	Total
2024	\$ 135,335	\$ 14,748	\$ 150,083
2025	151,815	14,556	166,371
2026	160,975	13,561	174,536
2027	161,979	12,558	174,537
2028	162,992	11,544	174,536
2029-2033	782,674	42,317	824,991
2034-2038	386,943	26,617	413,560
2039-2043	387,161	18,273	405,434
2044-2048	395,864	9,570	405,434
2049-2051	201,325	1,392	202,717
	<u>\$ 2,927,063</u>	<u>\$ 165,136</u>	<u>\$ 3,092,199</u>

Note 8 – Interfund Transfers

Interfund transfers during the fiscal year ended September 30, 2023, are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 90,600	\$ 202,411
Special Revenue Fund	202,411	488,509
Water and Wastewater Fund	<u>488,509</u>	<u>90,600</u>
Total Interfund Transfers	<u>\$ 781,520</u>	<u>\$ 781,520</u>

The transfer from the General Fund to the Special Revenue fund were used to fund various projects. The transfer out from the Special Revenue fund to the Water and Wastewater fund were to fund various capital projects. The transfer from the Water and Wastewater fund to the General fund represents allocated costs of General fund services.

Note 9 – Florida Retirement System (continued)

Defined Benefit Plan

As provided by Chapters 121 and 112, Florida Statutes, the Florida Retirement System (“FRS”) provides two cost sharing, multiple employers defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan (“Pension Plan”) and the Retiree Health Insurance Subsidy (“HIS Plan”) and a defined contribution pension plan (“Investment Plan”) (see Note 10). As a rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating municipality or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or by calling (877) 377-1737 or by visiting the Web site: www.dms.myflorida.com/workforce_operations/retirement/publications.

Pension Plan

Plan Description - The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (“DROP”) for eligible employees.

Benefits Provided - Benefits under the Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of creditable service or 30 years of service, regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 1.6% times years of service times final average compensation based on the five highest years of salary. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of creditable service or 25 years of service, regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 1.6% times years of service times final average compensation based on the five highest years of salary.

Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% times the years of service times their final average compensation based on the five highest years of salary for each year of creditable service. Senior Management Service class members who retire at or after age 62 with at least six years of creditable service or 30 years of service, regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 2.0% times the years of service times their final average compensation based on the five highest years of salary for each year of creditable service. Elected Officers’ class members who retire at or after age 62 with at least six years of credited service or 30 years of service, regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% times the years of service (3.33% for judges and justices) times their final average compensation based on the five highest years of salary for each year of creditable service.

Note 9 – Florida Retirement System (continued)

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of creditable service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers' class members, and to age 60 or 30 years of service, regardless of age, for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, Florida Statutes, if the member is retired or accounts under DROP before August 1, 2011, the annual cost-of living adjustment is three percent per year. The COLA formula for retirees with an effective retirement date or DROP begin date on or after August 1, 2011, will be the sum of the pre-July 2011 service credit divided by the total service credit at retirement multiplied by 3 percent. Each member with an effective retirement date of August 1, 2011, or after will have an individual COLA factor for retirement. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with an FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions - Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2021 through June 30, 2022, and from July 1, 2022, through June 30, 2023, respectively, were as follows: Regular - 10.82% and 10.19%; Special Risk Administrative Support - 37.76% and 36.93%; Special Risk - 25.89% and 26.11%; Senior Management Service - 29.01% and 29.85%; Elected Officers' - 54.47% and 51.42%; and DROP participants - 18.34% and 16.94%. These employer contribution rates include 1.66% HIS Plan subsidy for both the periods October 1, 2021, through June 30, 2022, and from July 1, 2022, through June 30, 2023.

The Village's contributions, including employee contributions, to the Plan totaled \$253,992 for the fiscal year ended September 30, 2023.

HIS Plan

Plan Description - The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided - For the fiscal year ended September 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment of \$ 5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$ 30 and a maximum HIS payment of \$ 150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Note 9 – Florida Retirement System (continued)

Contributions - The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2023, the HIS contribution was 1.66%. The Village contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The Village's contributions to the HIS Plan totaled \$27,309 for the fiscal year ended September 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2023, the Village reported liabilities of \$ 1,671,369 for its proportionate share of the Pension Plan's net pension liability and \$ 613,329 for the HIS Plan's net pension liability for a total pension liability of \$ 2,284,698. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. At June 30, 2023, the Village's proportionate share was .004194482 percent for the Pension Plan and .003861946 percent for the HIS Plan, which was an increase of .000476425 percent and .000176283 percent respectively, from the proportionate share measured as of June 30, 2022.

The net pension liability and related components are allocated to the governmental activities and business-type activities based on the distribution of current year employee compensation. At September 30, 2023, it is distributed 78% to governmental activities and 22% to business-type activities.

For governmental activities, net pension liabilities are generally liquidated by the General Fund.

Note 9 – Florida Retirement System (continued)

For the year ended September 30, 2023, the Village recognized pension expense of \$ 349,244 for the Pension plan and \$ 274,553 for the HIS plan for a total pension expense of \$ 623,797. At September 30, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources		
	Pension Plan	HIS Plan	Total
Difference between expected and actual experience	\$ 156,927	\$ 8,979	\$ 165,906
Changes of assumptions	108,954	16,124	125,078
Net difference between project and actual earnings on pension plan investments	69,801	314	70,115
Changes in proportion and differences between Village contributions and proportionate share of contributions	615,902	231,059	846,961
Village contributions subsequent to the measurement date	48,488	7,230	55,718
Total	\$ 1,000,072	\$ 263,706	\$ 1,263,778

Description	Deferred Inflows of Resources		
	Pension Plan	HIS Plan	Total
Difference between expected and actual experience	\$ -	\$ 1,440	\$ 1,440
Changes of assumptions	-	53,147	53,147
Net difference between project and actual earnings on pension plan investments	-	-	-
Total	\$ -	\$ 54,587	\$ 54,587

Note 9 – Florida Retirement System (continued)

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer’s fiscal year end will be recognized as a reduction of the net pension liability in the subsequent reporting period ending September 30, 2023. The amounts reported as deferred outflows of resources and deferred inflows of resources related to the FRS and HIS Plan will be recognized in pension expense as follows:

Year Ended September 30,	Employer Share of Deferred Outflow/Inflow		
	Pension Plan	HIS Plan	Total
2024	\$ 256,258	\$ 59,277	\$ 315,535
2025	187,060	61,283	248,343
2026	413,346	58,586	471,932
2027	79,795	20,183	99,978
2028	15,125	2,027	17,152
Thereafter	-	533	533

Actuarial Assumptions - The Florida Retirement System is responsible for setting the assumptions used in the funding valuations of both pension plans pursuant to section 216.136 (10), Florida Statutes. The Pension Plan’s valuation is performed annually. The HIS Plan has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the Pension Plan was completed in 2019 for the period July 1, 2013, through June 30, 2018. Because the HIS Plan is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Plan were based on certain results of the most recent experience study for the Pension Plan. The municipal rate used to determine total pension liability increased from 3.54% to 3.65%. The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Pension Plan	HIS Plan
Inflation	2.40%	2.40%
Salary Increase	3.25%, average, including inflation	3.25%, average, including inflation
Investment rate of return	6.70%, net of pension plan investment expense, including inflation	N/A
Actuarial cost method	Individual entry age	Individual entry age
Mortality table	PUB-2010 with Projection Scale MP-2018	PUB-2010 with Projection Scale MP-2018

Note 9 – Florida Retirement System (continued)

Long-term Expected Rate of Return - The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption.

The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.9%	2.9%	1.1%
Fixed income	19.8%	4.5%	4.4%	3.4%
Global equity	54.0%	8.7%	7.1%	18.1%
Real estate property	10.3%	7.6%	6.6%	14.8%
Private equity	11.1%	11.9%	8.8%	26.3%
Strategic investments	3.8%	6.3%	6.1%	7.7%
Total	<u>100%</u>			
Assumed Inflation - Mean			2.4%	1.4%

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

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

The discount rate used to measure the total pension liability was 3.65% for the HIS Plan. In general, the discount rate for calculating the HIS Plan’s total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS Plan benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the municipal bond rate was used to determine the total pension liability. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the Village’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following table presents the sensitivity of the Village’s proportionate share of the net pension liability (asset) to changes in the discount rate. The sensitivity analysis, below, shows the impact to the Village’s proportionate share of the net pension liability if the discount rate was 1.00% lower or 1.00% higher than the current discount rate at June 30, 2023:

	<u>1% Decrease (5.70%)</u>	<u>Current Discount Rate (6.70%)</u>	<u>1% Increase (7.70%)</u>
Village's proportionate share of the net pension liability (asset) for Pension Plan	\$ <u>2,855,037</u>	\$ <u>1,671,369</u>	\$ <u>681,087</u>

Note 9 – Florida Retirement System (continued)

	1% Decrease <u>(2.65%)</u>	Current Discount Rate <u>(3.65%)</u>	1% Increase <u>(4.65%)</u>
Village's proportionate share of the net pension liability for HIS Plan	\$ <u>699,712</u>	\$ <u>613,329</u>	\$ <u>541,722</u>

Pension Plans’ Fiduciary Net Position - The effect of FRS on the Village's net position has been determined on the same basis used by FRS. For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Therefore, benefits and administrative expenses are recognized when due and payable. Investments are reported at Fair Value. Detailed information about the pension plans’ fiduciary net position is available in the state’s separately issued financial reports.

Note 10 – Defined Contribution Plans

Section 457(b) Plan

The Village has a money purchase contribution plan qualified under Section 457(b) of the Internal Revenue Code. The plan is administered by an independent trustee. No contributions are made by the Village to this plan.

Investment Plan

The Village offers to its employees a defined contribution pension plan, as a part of the Florida Retirement System (Note 9). The SBA administered the defined contribution plan officially titled the FRS Investment Plan. The Investment Plan is reported in the SBA’s annual financial statements and in the State of Florida’s Annual Comprehensive Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS Defined Benefit Plan. Village employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual members’ accounts, are defined by law, but the ultimate benefit depends, in part, on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class, as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment members’ accounts during the 2020-2021 fiscal year, as established by Section 121.72, Florida Statutes, are based on percentage of gross compensation, by class, as follows:

Note 10 – Defined Contribution Plan (continued)

<u>Class</u>	<u>Allocated</u>
Elected Officials	11.34%
Senior Management	7.67%
Special Risk	14.00%
Special Risk Administrative Support	7.95%
Regular Employees	6.30%

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

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

The Village’s pension expense for the Investment Plan totaled \$ 9,000 for the year ended September 30, 2023.

Note 11 – Leases

The Village has entered into a real estate rental arrangement which expires on July 31, 2024. Monthly rental payments for the duration of the lease are approximately \$ 3,200, plus applicable common area expenses.

The lease agreement is summarized as follows:

<u>Lease Asset</u>	<u>Commencement Date</u>	<u>Lease Term</u>	<u>Monthly Payment</u>	<u>Discount Rate</u>	<u>Total Lease Liability</u>	<u>Balance Sept.30</u>
Building	8/1/2020	4 Years	<u>\$ 3,226</u>	3.25%	<u>\$ 145,392</u>	<u>\$ 31,672</u>

Note 11 – Leases (continued)

The estimated future approximate minimum lease payments required under these agreements, as of September 30, 2023, are as follows:

<u>Fiscal Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ <u>31,672</u> \$	<u>3,809</u>

Note 12 – Risk Management

The Village is exposed to various risks of loss related to torts, including, but not limited to: theft of assets; damage to and destruction of assets; errors and omissions; general liabilities; and natural disasters for which the Village carries commercial insurance. There have been no significant reductions of insurance coverage, and settlement amounts have not exceeded insurance coverage for the current or the three prior years.

Note 13 - Significant Third Party Arrangements

The Village is currently included in the Martin County Municipal Service Taxing Unit (MSTU) for Fire Protection and EMS Services. An interlocal agreement between the Village of Indiantown and Martin County was approved on September 27, 2018, by the Village Council under Ordinance 001-2018 for the Village to retain fire rescue services from the County MSTU. There are two subsequent amendments that have been approved related to the interlocal agreement. The first amendment was approved on May 23, 2019, under Ordinance 12-2019. The purpose of the amendment was for the Village to consent to the inclusion of the incorporated area of the Village to be formally included within the County’s Fire Rescue MSTU, and to amend the provisions of the original interlocal agreement to change from payment made by the Village to the MSTU, to instead for taxes to subsequently be collected and remitted directly to the Martin County Fire Rescue MSTU. The second amendment to the interlocal agreement was approved by the Council on July 22, 2021. The second amendment was for the County to agree to give the Village \$1.5 million as a contribution toward construction of a 12-inch fire loop for the improvement of fire protection services within the Village. This was also in consideration for the Village to remain included within the Fire Rescue MSTU.

Note 14 – Date of Management review

The Village’s management has evaluated subsequent events through February 28, 2025, the date on which the financial statements were available for issuance.

**REQUIRED
SUPPLEMENTARY INFORMATION**

Village of Indiantown, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
Revenues:				
Property taxes	\$ 3,198,653	\$ 3,449,153	\$ 3,260,434	\$ (188,719)
Operating grants and contributions	-	-	210,758	210,758
Intergovernmental revenue	1,032,683	1,100,833	1,410,409	309,576
General government taxes	505,390	305,390	282,333	(23,057)
Licenses, permits and franchise fees	557,600	557,600	805,450	247,850
Charges for services	5,000	5,000	8,392	3,392
Fines and forfeitures	7,400	7,400	-	(7,400)
Investment income	8,000	290,000	246,422	(43,578)
Development Review Applications	-	-	148,845	148,845
Miscellaneous revenues	2,380,273	112,273	87,518	(24,755)
	<u>7,694,999</u>	<u>5,827,649</u>	<u>6,460,561</u>	<u>632,912</u>
Total revenues				
Expenditures:				
Current:				
General government				
Legislative	165,718	83,618	95,344	(11,726)
Administrative services	1,348,245	1,248,129	1,140,437	107,692
Community and economic dev.	2,054,700	1,411,402	1,322,160	89,242
Financial services	428,174	423,494	379,494	44,000
Transportation				
Public works and engineering	755,000	867,600	559,722	307,878
Culture and recreation				
Parks and recreation	787,007	582,357	473,988	108,369
Capital outlay	11,000	273,950	700,897	(426,947)
Debt Service:				
Principal	-	-	35,642	(35,642)
Interest	-	-	3,063	(3,063)
	<u>5,549,844</u>	<u>4,890,550</u>	<u>4,710,747</u>	<u>179,803</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>2,145,155</u>	<u>937,099</u>	<u>1,749,814</u>	<u>812,715</u>
Other Financing Sources (Uses):				
Transfers in	90,600	90,600	90,600	-
Transfers out	(2,235,755)	(202,411)	(202,411)	-
	<u>(2,145,155)</u>	<u>(111,811)</u>	<u>(111,811)</u>	<u>-</u>
Total other financing sources (uses)				
Net change in fund balance	<u>\$ -</u>	<u>\$ 825,288</u>	<u>\$ 1,638,003</u>	<u>\$ 812,715</u>

See notes to budgetary comparison schedules.

Village of Indiantown, Florida
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual - Special Revenue Fund
 For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
Revenues:				
Intergovernmental revenue	\$ -	\$ 528,009	\$ 538,009	\$ 10,000
Investment Income	-	37,000	36,997	(3)
	<u>-</u>	<u>565,009</u>	<u>575,006</u>	<u>9,997</u>
Total revenues	<u>-</u>	<u>565,009</u>	<u>575,006</u>	<u>9,997</u>
Expenditures:				
Transportation	-	39,500	49,500	(10,000)
Capital outlay	-	488,509	-	488,509
	<u>-</u>	<u>528,009</u>	<u>49,500</u>	<u>478,509</u>
Total expenditures	<u>-</u>	<u>528,009</u>	<u>49,500</u>	<u>478,509</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>37,000</u>	<u>525,506</u>	<u>488,506</u>
Other Financing Sources (Uses):				
Transfers in	-	-	202,411	202,411
Transfers out	-	-	(488,509)	(488,509)
	<u>-</u>	<u>-</u>	<u>(286,098)</u>	<u>(286,098)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(286,098)</u>	<u>(286,098)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 37,000</u>	<u>\$ 239,408</u>	<u>\$ 202,408</u>

See notes to budgetary comparison schedules.

Note 1 - Budgets and Budgetary Accounting

An annual appropriated budget is adopted for all governmental funds.

The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

- (a) The Village Manager submits to the Council a proposed operating budget for the ensuing fiscal year. The operating budget includes appropriations and the means of financing them with an explanation regarding each expenditure that is not of a routine nature.
- (b) Public hearings are conducted to obtain taxpayer comments.
- (c) Prior to October 1, the budget is legally enacted through passage of a resolution.
- (d) The Village Council, by motion, may make supplemental appropriations for the year up to the amount of revenues in excess of those estimated. During the year ended September 30, 2023, there were no significant supplemental appropriations.
- (e) Formal budgetary integration is employed as a management control device. The Village Manager is authorized to approve administrative transfers between departments within the same fund. Transfer requests are reviewed by the Department Director and/or a designated representative. Budgetary integrity is established for control purposes at the department level.
- (f) The budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). All annual appropriations lapse at fiscal year-end. Encumbrances are re-appropriated in the following year's budget.
- (g) The Village had excess of expenditures over appropriations for Legislative and Capital Outlay of \$11,726 and \$426,947, respectively. These over-expenditures were funded through use of prior years' available fund balance.

Village of Indiantown, Florida
Required Supplementary Information
Schedule of the Village's Proportionate Share of the Net Pension Liability -
Florida Retirement System Pension Plan
Last 10 Fiscal Years *
(Unaudited)

June 30, (Measurement Date)	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Village's proportion of the FRS net pension liability	0.00004194%	0.00371806%	0.00258827%	0.00110525%	0.00003778%
Village's proportionate share of the FRS net pension liability	\$ 1,671,369	\$ 1,383,416	\$ 195,514	\$ 479,032	\$ 13,011
Village's covered payroll	\$ 1,475,858	\$ 1,299,167	\$ 990,759	\$ 385,078	\$ 34,165
Village's proportionate share of the net pension liability as a percentage of its covered payroll	113.25%	106.48%	19.73%	124.40%	38.08%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	82.38%	82.89%	96.40%	78.85%	82.61%

* This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years for which the information is available. The Village began participating in the Florida Retirement System in 2019.

Village of Indiantown, Florida
Required Supplementary Information
Schedule of the Village's Contributions -
Florida Retirement System Pension Plan
Last 10 Fiscal Years *
(Unaudited)

Report Period Ending:	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required FRS contribution	\$ 170,956	\$ 239,478	\$ 95,041	\$ 34,866	\$ 6,453
FRS contributions in relation to the contractually required FRS contribution	<u>(170,956)</u>	<u>(239,478)</u>	<u>(95,041)</u>	<u>(34,866)</u>	<u>(6,453)</u>
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,505,224	\$ 1,310,735	\$ 1,120,925	\$ 493,583	\$ 95,818
FRS contributions as a percentage of covered payroll	11.36%	18.27%	8.48%	7.06%	6.73%

* This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years for which the information is available. The Village began participating in the Florida Retirement System in 2019.

Village of Indiantown, Florida
Required Supplementary Information
Schedule of the Village's Proportionate Share of the Net Pension Liability -
Retiree Health Insurance Subsidy Program
Last 10 Fiscal Years *
(Unaudited)

June 30, (Measurement Date)	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Village's proportion of the HIS net pension liability	0.00419448%	0.00368566%	0.00309603%	0.00118842%	0.00005606%
Village's proportionate share of the HIS net pension liability	\$ 613,329	\$ 390,371	\$ 379,775	\$ 145,105	\$ 6,273
Village's covered payroll	\$ 1,530,011	\$ 1,356,510	\$ 1,096,061	\$ 412,477	\$ 37,500
Village's proportionate share of the net pension liability as a percentage of its covered payroll	40.09%	28.78%	34.65%	35.18%	16.73%
HIS plan fiduciary net position as a percentage liability	4.12%	4.81%	3.56%	3.00%	2.63%

* This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years for which the information is available. The Village began participating in the Florida Retirement System in 2019.

Village of Indiantown, Florida
Required Supplementary Information
Schedule of the Village's Contributions -
Retiree Health Insurance Subsidy Program
Last 10 Fiscal Years *
(Unaudited)

Report Period Ending:	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required HIS contribution	\$ 26,020	\$ 22,518	\$ 20,383	\$ 8,806	\$ 1,729
HIS contributions in relation to the contractually required HIS contribution	<u>(26,020)</u>	<u>(22,518)</u>	<u>(20,383)</u>	<u>(8,806)</u>	<u>(1,729)</u>
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,567,481	\$ 1,364,026	\$ 1,227,894	\$ 530,502	\$ 104,151
HIS contributions as a percentage of covered payroll	1.66%	1.65%	1.66%	1.66%	1.66%

* This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years for which the information is available. The Village began participating in the Florida Retirement System in 2019.

Village of Indiantown, Florida
Combining Balance Sheet - Nonmajor Governmental Funds
September 30, 2023

	<u>Community Trust Fund</u>	<u>Capital Improvement Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Assets:			
Restricted Investments	\$ 1,038,826	\$ -	\$ 1,038,826
Total assets	<u>\$ 1,038,826</u>	<u>\$ -</u>	<u>\$ 1,038,826</u>
Liabilities:			
Due to other funds	\$ -	\$ 231,263	\$ 231,263
Total liabilities	<u>\$ -</u>	<u>\$ 231,263</u>	<u>\$ 231,263</u>
Fund Balances (Deficit):			
Restricted for:			
Community development	1,038,826	-	1,038,826
Unassigned	<u>-</u>	<u>(231,263)</u>	<u>(231,263)</u>
Total fund balances (deficit)	<u>1,038,826</u>	<u>(231,263)</u>	<u>807,563</u>
Total liabilities and fund balances (deficit)	<u>\$ 1,038,826</u>	<u>\$ -</u>	<u>\$ 1,038,826</u>

Village of Indiantown, Florida
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Governmental Funds
For the Year Ended September 30, 2023

	Community Trust Fund	Capital Improvement Fund	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Investment income	\$ 37,125	\$ -	\$ 37,125
Total revenues	<u>37,125</u>	<u>-</u>	<u>37,125</u>
Expenditures:			
Current:			
General government	30	40,000	40,030
Capital outlay	<u>-</u>	<u>191,263</u>	<u>191,263</u>
Total expenditures	<u>30</u>	<u>231,263</u>	<u>231,293</u>
Change in fund balance	37,095	(231,263)	(194,168)
Fund Balances, Beginning of Year	<u>1,001,731</u>	<u>-</u>	<u>1,001,731</u>
Fund Balances (Deficit), End of Year	<u>\$ 1,038,826</u>	<u>\$ (231,263)</u>	<u>\$ 807,563</u>

Village of Indiantown, Florida
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual - Community Trust Fund
 For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
Revenues:				
Investment income	\$ -	\$ 37,000	\$ 37,125	\$ 125
Expenditures:				
Service charges	-	-	30	(30)
Total expenditures	-	-	30	(30)
Excess (deficiency) of revenues over expenditures	-	37,000	37,095	95
Net change in fund balance	<u>\$ -</u>	<u>\$ 37,000</u>	<u>\$ 37,095</u>	<u>\$ 95</u>

Village of Indiantown, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Capital Improvement Fund
For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
Revenues:				
Intergovernmental	\$ -	\$ 135,635	\$ -	\$ (135,635)
Expenditures:				
Professional Services	-	40,000	40,000	-
Capital outlay	-	191,265	191,263	2
Excess (deficiency) of revenues over expenditures	-	95,630	231,263	2
Net change in fund balance	\$ -	\$ 95,630	\$ 231,263	\$ 135,633

COMPLIANCE SECTION –
OTHER REPORTS OF
INDEPENDENT AUDITORS

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

To the Honorable Mayor and
Members of the Village Council
Village of Indiantown, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Indiantown, Florida (the "Village"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated February 28, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, as described in the accompanying Schedule of Findings and Questioned Costs as items 2023-001, 2023-002 and 2023-003, that we consider to be significant deficiencies.

Report on Compliance and Other Matters

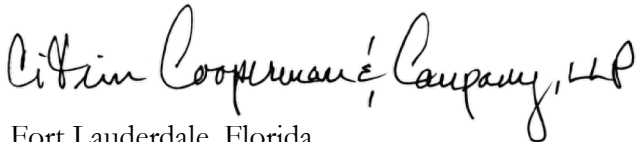
As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2023-01.

Village's Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on the Village's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The Village's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

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



Fort Lauderdale, Florida
February 28, 2025

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Mayor and
Members of the Village Council
Village of Indiantown, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Village of Indiantown, Florida's (the "Village") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Village's major federal programs for the year ended September 30, 2023. The Village's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Village complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Village's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Village's federal programs and state projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Village's compliance based on our audit. 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, *Government Auditing Standards* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Village's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Village's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Village's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.



Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Fort Lauderdale, Florida
February 28, 2025

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**Village of Indiantown, Florida
Schedule of Expenditures of Federal Awards
and State Financial Assistance
For the Year Ended September 30, 2023**

Federal or State Grantor/ Pass-Through Grantor/ Program or Cluster Title	AL/CSFA Number	Federal Award Pass-Through Identifying Number or State Grant ID	Total Expenditures	Provided to Subrecipients
U.S. Department of Treasury				
Passed Through the State of Florida				
Department of Environment Protection:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Y-5129	\$ 538,009	\$ -
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	LPA0307	667,964	-
Total COVID-19 - Coronavirus State and Local Fiscal Recovery Funds			<u>1,205,973</u>	<u>-</u>
U.S. Department of Housing and Urban Development:				
Passed Through the State of Florida				
Department of Economic Opportunity:				
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	H-2416	53,401	-
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	10181	40,000	-
Total Community Development Block Grant program			<u>93,401</u>	<u>-</u>
Total expenditures of federal awards			<u>1,299,374</u>	<u>-</u>
State of Florida:				
Florida Department of Environmental Protection:				
Small Community Wastewater Facility Grant	37.075	SG-065	50,989	-
Florida Department of Transportation:				
Public Transit Service Development Program	55.012	G-1K89	16,428	-
Road/Storm Water Drainage Reconstruction Project	55.039	G-1V38	250,447	-
Road/Storm Water Drainage Reconstruction Project	55.039	G-2744	95,632	-
Total Road/Storm Water Drainage Reconstruction Project			<u>346,079</u>	<u>-</u>
Total expenditures of state financial assistance			<u>413,496</u>	<u>-</u>
Total Expenditures of Federal Awards and State Financial Assistance			\$ <u>1,712,870</u>	\$ <u>-</u>

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the "Schedule") includes the federal and state grant activity of the Village of Indiantown, Florida (the "Village"). The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and Chapter 10.550, Rules of the Auditor General. Because the Schedule presents only a selected portion of the operations of the Village, it is not intended to and does not present the financial position, changes in net position/fund balance or cash flows of the Village.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, and Chapter 10.550, Rules of the Florida Auditor General, as well as other applicable provisions of contracts and grant agreements, wherein certain types of expenditures are not allowable or are limited as to reimbursements.

Note 3 - Indirect Cost Rate

The Village did not elect to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Village of Indiantown, Florida
Schedule of Findings and Questioned Costs
September 30, 2023

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

Unmodified Opinion

Internal control over financial reporting:

Material weakness(es) identified?

yes no

Significant deficiency(ies) identified?

yes none reported

Noncompliance material to financial statements noted?

yes no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

yes no

Significant deficiency(ies) identified?

yes none reported

Type of auditor's report issued on compliance for major federal programs?

Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

yes no

Identification of major federal program:

<u>AL No.</u>	<u>Federal Program or Cluster</u>
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Federal A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

yes no

SECTION II – FINANCIAL STATEMENTS FINDINGS

2023-001 Non-Compliance with Florida Statutes – Significant Deficiency

Criteria: Section 218.39(1), Florida Statutes, requires that a local government shall have an annual financial audit of its accounts and records completed within nine (9) months after the end of its fiscal year.

Condition: The Village did not issue and file the September 30, 2023 financial statements with the Auditor General by June 30, 2024, or the Annual Financial Report (“AFR”) to the Florida Department of Financial Services by June 30, 2024, as required by Florida Statutes.

Cause: The Village experienced significant personnel turnover within the finance department.

Effect: The lack of personnel led to delays in performing required financial statement closing procedures.

Recommendation: We recommend that the Town assess the finance department staffing needs and hire the required personnel.

Management’s response: The hiring of additional qualified professional accounting staff to further delegate the monthly and annual close processes and corresponding audit tasks continues to be a challenge, but is a high priority to resolve. The utilization of contracted professional accounting help will continue to help fill that void.

2023-002 Bank Reconciliation Procedures – Significant Deficiency – Repeat Finding – 2021-01

Criteria: Bank reconciliations should be reviewed and approved timely by an appropriate individual within the Village to ensure that cash is properly monitored and controlled.

Condition: During the audit, we noted that monthly bank reconciliations prepared by the Village’s consultant were not being reviewed and approved.

Cause: Village personnel were not reviewing and approving bank reconciliations as part of the monthly closing process.

Effect: Misstatements in cash accounts may not be detected and corrected in a timely manner.

Recommendation: We recommend that bank reconciliations be reviewed and approved by the Finance Director as part of the monthly closing process and there should be evidence of such review and approval process. We also recommend that this process be detailed in the Village’s formal financial policies and procedures.

2023 update: During the year ended September 30, 2023, we noted that the bank reconciliations were being completed and reviewed, but they were not being completed in a timely manner in order to allow for a timely close of the month.

SECTION II – FINANCIAL STATEMENTS FINDINGS (continued)

2023-002 Bank Reconciliation Procedures – Significant Deficiency – Repeat Finding – 2021-01 (continued)

Management’s response: The timing of the completion of the FY22 audit did coincide with commencement of the planning phase for implementation of the Village’s new Enterprise Resource Planning (ERP) system. Also, the Village of Indiantown commenced a significant new grant-funded capital improvement program for wastewater infrastructure improvements. In addition to being the primary technical lead for the audit, as Finance Director, I was also the primary and sole project manager for both the Village ERP as and new CIP program as well. These undertakings, in addition to day-to-day operations, did affect the completion of bank reconciliations to be done within a normal timeframe. The inability to fill long-standing vacancies with qualified and experienced professional accounting staff, turnover of lower-level accounting clerk staff, and the need to then absorb and reassign those duties, were also contributing factors. These operational challenges, including the continuation of the implementation of the new ERP system and further expansion of the CIP program, did remain throughout the duration of FY24. Beginning in FY25, the integration of all of the Village’s IT systems into one ERP application is expected to provide the best possible opportunity to complete all departmental tasks in a more consistent and timely manner. The hiring of additional qualified professional accounting staff to further delegate the monthly and annual close processes and corresponding audit tasks continues to be a challenge, but is a high priority to resolve. The utilization of contracted professional accounting help will continue to help fill that void.

2023-003 Month-End and Year-End Closing Schedule and Procedures – Significant Deficiency – Repeat Finding – 2021-03

Criteria: The Village should have a month-end and year-end closing schedule to prepare and meet its annual reporting requirements.

Condition: During the audit, we noted that there was no month-end or year-end closing schedule delineating the roles and responsibilities of Village personnel as they prepare for monthly and annual reporting requirements.

Cause: The Village has not formalized a month-end and year-end closing schedule/process to facilitate timely financial reporting.

Effect: The Village experienced delays in important procedures not being performed timely such as delays in producing closing entries, a fully adjusted trial balance, schedules, reconciliations, account analysis and other financial reports needed by management and the auditors.

Recommendation: We recommend that a month-end and year-end closing schedule be prepared to include the activity, staff responsible, internal due date and actual date of completion. The due date for activities should be coordinated with the timing of management’s and the auditor’s need for the information. The due dates should be monitored by Village management to determine that they are being met.

2023 Update: During the year ended September 30, 2023, we noted that the Village has not formalized a month and year-end closing schedule to facilitate timely financial reporting.

SECTION II – FINANCIAL STATEMENTS FINDINGS (continued)

2023-003 Month-End and Year-End Closing Schedule and Procedures – Significant Deficiency – Repeat Finding – 2021-03 (continued)

Management response: Subsequent to the FY22 audit, new and additional schedules were developed for tracking various processes to assist with monthly processing, as well as the month-end and year-end close. These included tasks specific to accounts payable, accounts receivable, revenue and grants compliance, project monitoring, general ledger, and financial reporting. Due to the turnover of staff, the distribution and absorption of additional duties among existing staff, the time commitment required by the ongoing ERP implementation, and a rapidly growing capital improvement program, some of the monthly and year-end tasks delineated were not able to be maintained within the targeted completion dates. Because of the technical nature of the general ledger tasks and the inability to hire additional technical accounting staff, all annual tasks specific to the audit and financial reporting have continued to be maintained exclusively by the Finance Director. Additional assistance from external contracted professional accounting resources has been retained and was used to assist with year-end close and audit tasks whenever possible. This still, however, required comprehensive oversight and continuous involvement by the Finance Director to ensure all tasks performed met the necessary standard for approval.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

**Village of Indiantown, Florida
Summary Schedule of Prior Year's Findings
For the Year Ended September 30, 2023**

Finding 2021-01: Bank Reconciliation Procedures

Current Status: The finding is still applicable and repeated as 2023-002.

Finding 2021-02: Journal Entry Procedures

Current Status: Corrective action was taken.

Finding 2021-03: Month-End and Year-End Closing Schedule and Procedures

Current Status: The finding is still applicable and repeated as 2023-003.

Finding 2021-05: Payroll Procedures

Current Status: Corrective action was taken.

Finding 2021-06: Accounts Receivable Management – Utility Fund

Current Status: Corrective action was taken.

Finding 2021-07: Capital Asset Listing

Current Status: Corrective action was taken.

MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

To the Honorable Mayor and
Members of the Village Council
Village of Indiantown, Florida

Report on the Financial Statements

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Indiantown, Florida (the "Village"), as of and for the year ended September 30, 2023, and have issued our report thereon February 28, 2025.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated February 28, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Uncorrected findings from the 2022 report are presented in the Summary Schedule of Prior Audit Findings.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in the Note 1 of the Village's financial statements.

Financial Condition and Management

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

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

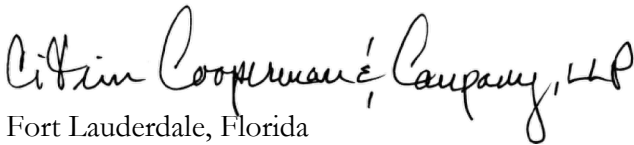
Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, such recommendations have been included in the accompanying Schedule of Findings and Questioned Costs.

Additional Matters

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

Purpose of this Letter

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



Fort Lauderdale, Florida
February 28, 2025

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

To the Honorable Mayor and
Members of the Village Council
Village of Indiantown, Florida

We have examined the Village of Indiantown, Florida's (the "Village") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies* (the "specified requirements"), during the year ended September 30, 2023. Management is responsible for the Village's compliance with the specified requirements. Our responsibility is to express an opinion on the Village's compliance with the specified requirements based on our examination.

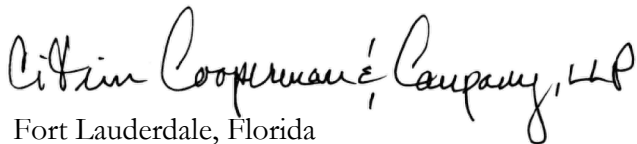
Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Village complied, in all material respects, with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

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the Village's compliance with the specified requirements.

In our opinion, the Village 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 Members of the Village Council, management, and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.



Fort Lauderdale, Florida
February 28, 2025



February 28, 2025

Stephen Emery, CPA, Partner
Citrin Cooperman & Company, LLP
6550 N. Federal Highway, 4th Floor
Fort Lauderdale, FL 33308

RE: FY23 Audit Findings Corrective Action Plan

Dear Mr Emery:

Please accept this letter as formal acknowledgement and acceptance of the Correction Action Plan to be put in place subsequent to the findings identified during the Fiscal Year 2023 Audit:

CORRECTIVE ACTION PLAN

For the Year Ended September 30, 2023

2023-001 Non-Compliance with Florida Statutes – Significant Deficiency

Village Response: The hiring of additional qualified professional accounting staff to further delegate the monthly and annual close processes and corresponding audit tasks continues to be a challenge, but is a high priority to resolve this issue. The Financial Services Director will be responsible for this corrective action. The estimated time of completion for this corrective action plan is June 30, 2025.

2023-002 Bank Reconciliation Procedures – Significant Deficiency (Repeat Finding)

Village Response: The hiring of additional qualified professional accounting staff to further delegate the monthly and annual close processes and corresponding audit tasks continues to be a challenge, but is a high priority to resolve this issue. The Financial Services Director will be responsible for this corrective action. The estimated time of completion for this corrective action plan is June 30, 2025.

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Post Office Box 398 Indiantown, Florida 34956
772-597-9900 www.indiantownfl.gov

2023-003 Month-End and Year-End Closing Schedule and Procedures - Significant Deficiency (Repeat Finding)

Village Response: The hiring of additional qualified professional accounting staff to further delegate the monthly and annual close processes and corresponding audit tasks continues to be a challenge, but is a high priority to resolve this issue. The Financial Services Director will be responsible for this corrective action. The estimated time of completion for this corrective action plan is June 30, 2025.



Sincerely,

Michael Florio
Financial Services Director