

COLLIER SOIL AND WATER CONSERVATION DISTRICT

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

SEPTEMBER 30, 2022

CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS	1
MANAGEMENT DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	10
STATEMENT OF ACTIVITIES	11
BALANCE SHEET – GOVERNMENTAL FUNDS	12
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE	13
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS	14
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES	15
NOTES TO THE FINANCIAL STATEMENTS	16
OTHER REQUIRED SUPPLEMENTARY INFORMATION	
BUDGETARY COMPARISON SCHEDULE – GENERAL REVENUE FUND	35
FLORIDA RETIREMENT SYSTEM PENSION PLAN	36
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING	40
INDEPENDENT ACCOUNTANT'S REPORT ON AN EXAMINATION CONDUCTED IN ACCORDANCE WITH AICPA PROFESSIONAL STANDARDS, SECTION 601, REGARDING COMPLIANCE REQUIREMENTS IN ACCORDANCE WITH CHAPTER 10.550, RULES OF THE AUDITOR GENERAL	42
INDEPENDENT AUDITOR'S MANAGEMENT LETTER	43
SCHEDULE OF FINANCIAL ASSISTANCE	46
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – STATE PROJECTS	47

JAMES E. DAVIS, CPA
1733 Old Plank Road
Crawfordville, FL 32327
Phone: (850) 445-5878

INDEPENDENT AUDITOR'S REPORT

To the Governing Board
Collier Soil and Water Conservation District

Report on Financial Statements

Opinions

I have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of Collier Soil and Water Conservation District, Florida (the "District") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In my opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information for the District as of September 30, 2022, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Collier Soil and Water Conservation District and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund and the aggregate remaining fund information, only for the portion of the major funds and the aggregate remaining fund information, of Collier Soil and Water Conservation District that is attributable to Collier Soil and Water Conservation District. They do not purport to, and do not, present fairly the financial position of Collier Soil and Water Conservation District as of September 30, 2022, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. My opinion is not modified with respect to these matters.

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 Collier Soil and Water Conservation District's ability to continue as a going concern for twelve months beyond the financial statement date, including any known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

My objective is 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 an opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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, individually or in the aggregate, they could reasonably be expected to influence the judgment made by a reasonable user made on the basis of these financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, I:

- 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 Collier County Soil and Water Conservation District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Collier County Soil and Water Conservation District's ability to continue as a going concern for a reasonable period of time.

I am 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 I 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 on pages 4 through 7 as listed 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 reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Budgetary Comparison Schedule on page 34 as listed in the table of contents, 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 related directly to the underlying accounting and other records used to prepare 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 records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In my opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued a report dated June 18, 2023 on my consideration of the District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

James E. Davis
Certified Public Accountant

June 18, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the Collier Soil and Water Conservation District has prepared the following discussion and analysis to (a) assist the reader in focusing on significant financial issues; (b) provide an overview and analysis of the District's financial activities; (c) identify changes in the District's financial position; (d) identify material deviations from the approved budget; and (e) highlight significant issues in individual funds.

Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transaction, events, and conditions, it should be considered in conjunction with the District's financial statements and notes to financial statements found on pages 10 through 33.

Its intent is to provide a brief, objective and easily readable analysis of the District's financial performance for the year and its financial position at fiscal year-end September 30, 2022.

The District was established on August 29, 1984, as a governmental sub-division of the State of Florida, encompassing Collier County and is authorized under the Soil and Water Conservation Law of 1937 and Chapter 582, Florida Statutes to pursue the policy for conservation as set forth by the Florida Legislature in Chapter 582.05, Florida Statutes:

"It is the policy of the Legislature to provide for control and prevention of soil erosion, and for the prevention of floodwater and sediment damages, and for furthering the conservation, development and utilization of soil and water resources, and the disposal of water, and thereby to preserve natural resources, control floods, prevent impairment of dams and reservoirs, assist in maintaining the navigability of rivers and harbors, preserve wildlife, protect the tax base, protect public lands, and protect and promote the health, safety and general welfare of the people of this state."

The Florida Department of Agriculture and Consumer Services (FDACS) administers programs assigned to it by the Florida Legislature under the Soil and Water Conservation Law, Chapter 582 Florida Statutes. The District coordinates FDACS Best Management Plan Implementation, cost share programs, mobile irrigation labs and public land management.

The Collier Soil and Water Conservation District administers two Mobile Irrigation Labs (MIL):

- Urban Mobile Irrigation Lab (Collier County)
- Agricultural Mobile Irrigation Lab (Collier, Lee, Hendry, Glades, and Charlotte Counties)

The Mobile Irrigation Labs conduct extensive irrigation system evaluations, measuring flow rates and pressures, testing water quality, and analyzing water management strategies. The information gathered is used to make recommendations for improvements to the system for water conservation and the health of the plants. Physical improvements that can increase the efficiency of the irrigation system are detailed, as well as scheduling and water management recommendations.

Follow-up evaluations are conducted after improvements are made to measure actual water savings and to improve MIL procedures. Both potential and actual water savings number in the millions of gallons per year and the MIL is considered to be an effective conservation program by numerous government agencies.

The MILs also participate in outreach and education in coordination with the Rookery Bay Natural Estuarine Research Reserve, the University of Florida Best Management Practices program, the University of Florida Extension Service, and the Master Gardener program.

to provide, at a minimum, one-to-one functional replacement, i.e., no net loss of functions, with an adequate margin of safety to reflect anticipated success.

The District has been a proponent of correcting the damage done in Big Cypress Basin, an isolated basin that derives no benefit from Everglades Restoration or the Everglades Area or the Everglades Area using ecological restoration methods.

MANAGEMENT'S DISCUSSION AND ANALYSIS - continued

Benfield Management Area is being prepared for the sale of Vegetation Purchase Units (VPU) as an alternative for code enforcement mitigation within the functional watershed. It considers resource needs of the functional watershed where impacts occurred and also considers the resource needs.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2021-22 fiscal year are as follows:

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$242,309.
- The District's total net assets, decreased by \$25,930, which represents a 9.64 percent increase from the 2020-21 fiscal year.
- As of the close of the current fiscal year, the District's governmental fund reported a fund balance of \$137,261, an increase of \$32,925 in comparison with the prior year.
- During the current year, General Fund revenues were greater than expenditures by \$32,925.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of three components:

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

Government-Wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the District's overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of net assets and a statement of activities that are designed to provide consolidated financial information about the governmental activities of the District presented on the accrual basis of accounting. The statement of net assets provides information about the government's financial position, its assets and liabilities, using an economic resources measurement focus. The difference between the assets and liabilities, the net assets, is a measure of the financial health of the District. The statement of activities presents information about the change in the District's net assets, the results of operations, during the fiscal year. An increase or decrease in net assets may be an indication of whether the District's financial health is improving or deteriorating.

The government-wide statements present the District's activities in one category:

- Governmental activities – This represents the District's conservation services. Support functions such as administration are also included. Support from the State of Florida provides most of the resources that support these activities.

Fund Financial Statements

Fund financial statements are one of the components of the basic financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and prudent fiscal management. Certain funds are established by law while others are created by legal agreements, such as bond covenants. Fund financial statements provide more detailed information about the District's financial activities, focusing on its most significant or "major" funds rather than fund types. This is in contrast to the entity-wide perspective contained in the government-wide statements. All of the District's funds may be classified within the category discussed below.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS – continued

This financial resources measurement focus allows the governmental fund statements to provide information on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year.

The governmental fund statements provide a detailed short-term view that may be used to evaluate the District's near-term financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this comparison, both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation of governmental funds to governmental activities.

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the District's only fund, the General Fund.

The District adopts an annual appropriated budget for its governmental fund. A budgetary comparison schedule has been provided for the General Fund.

Notes to Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. The following is a summary of the District's net assets as of September 30, 2022.

The District's net assets are primarily in cash, grant receivables and capital assets. The District uses these funds to provide services to Collier County Soil and Water Conservation District.

MANAGEMENT’S DISCUSSION AND ANALYSIS – continued

**NET ASSETS
END OF YEAR
GOVERNMENTAL ACTIVITIES**

	9/30/2022	9/30/2021
Cash and cash equivalents	\$ 121,041	\$ 102,381
Grants Receivable	16,362	21,636
Prepaid Expenses	2,359	1,698
Capital Assets: Equipment, net	243,912	245,136
	383,674	370,851
Deferred outflows of resources - pensions		
Deferred amount on pensions	13,149	11,583
Liabilities	125,496	91,514
Deferred inflows of resources - pensions	28,424	22,087
Invested in Capital Assets	243,912	245,136
Restricted	32,560	32,560
Unrestricted	(33,569)	(8,863)
Total Net Assets	\$ 242,903	\$ 268,833

The District’s net assets are spread approximately in cash and grants receivable, as well as its investment in capital assets (e.g. equipment and land). The District uses these capital assets to provide services to Collier County Soil and Water Conservation District; consequently, these assets are not available for future spending.

The key elements of the changes in the District’s net assets for the fiscal years ended September 30, 2022 and 2021 are as follows:

MANAGEMENT'S DISCUSSION AND ANALYSIS – continued
OPERATING RESULTS
GOVERNMENTAL ACTIVITIES

	9/30/2022	9/30/2021
Program Revenues		
Operating Grants and Contributions	\$ 98,857	\$ 94,180
General Revenues		
Miscellaneous	232	350
Investment Earnings	12	13
Total Revenue	99,101	94,543
Functions/Program Expenses:		
Conservation	125,031	79,634
Total Functions/Program Expenses	125,031	79,634
Increase (Decrease) in Net Assets	\$ (25,930)	\$ 14,909

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Major Governmental Funds

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, restricted fund balance was \$32,560, while the total fund balance was \$108,953. As a measure of the General Fund's liquidity, it may be useful to compare both the restricted fund balance and total fund balance to total General Fund expenditures. Restricted fund balance represents 26.0 percent of total General Fund expenditures, while total fund balance represents 1.10 percent of that same amount. The total fund balance increased by \$4,617 during the year ended September 30, 2022.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the course of the 2021-22 fiscal year, the District did not amend its General Fund budget. At the same time, final expenses were less than of the original budgeted amount by \$94,616.

CAPITAL ASSETS

The District owns no land or buildings for its operations. Office space is provided by the U.S. Department of Agriculture at no cost. Capital assets consist of equipment which is depreciated using the straight-line method over the estimated useful life of the asset (generally 5-10 years).

The District did begin to purchase land as part of its Mitigation Land Bank during the year ended September 30, 2008. The District expended \$41,265 to purchase land in 2008 but did not purchase any in any subsequent years.

Depreciation expense of \$1,224 was charged against the capital assets during the fiscal year ended September 30, 2022. The District did not purchase any capital assets during the year. Additional information on the District's capital assets can be found in Note 4 on page 24 of this report.

Additional information on the District's capital assets can be found in Note 4 to the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS – continued

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Collier Soil and Water Conservation District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the, Collier Soil and Water Conservation District, Naples, Florida, 34120, (239) 455-4100.

**COLLIER CONSERVATION DISTRICT
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2022**

		Governmental Activities
ASSETS		
Cash	\$	88,481
Cash - Restricted		32,560
Due from Other Governments Units		16,362
Prepaid Expenses		2,359
Capital Assets:		
Land		240,239
Depreciable Equipment, net		3,673
Total Assets		383,674
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Amount on Pensions		13,149
LIABILITIES		
Accounts Payable - Accrued Expenses		2,501
Accrued Liabilities - Leave		28,308
Advance Grant Revenue		39,044
Noncurrent Liabilities:		
Net Pension Liability		55,643
Total Liabilities		125,496
DEFERRED INFLOWS OF RESOURCES		
Deferred Amount on Pensions		28,424
NET ASSETS		
Net Investment in Capital Assets		243,912
Restricted for Mitigation		32,560
Unrestricted		(33,569)
Total Net Assets	\$	242,903

The accompanying notes to financial statements are an integral part of this statement.

**COLLIER SOIL AND WATER CONSERVATION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Conservation	\$ 125,031	\$ -	\$ 98,857	\$ -	\$ (26,174)
Total Government Activities	\$ 125,031	\$ -	\$ 98,857	\$ -	\$ (26,174)
General Revenues:					
					12
					232
					244
					(25,930)
					268,833
					\$ 242,903

The accompanying notes to financial statements are an integral part of this statement.

**COLLIER SOIL AND WATER CONSERVATION DISTRICT
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

	General Fund
ASSETS	
Cash	\$ 88,481
Cash - Restricted	32,560
Due from Other Government	16,362
Prepaid Expenses	2,359
TOTAL ASSETS	\$ 139,762
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts Payable and Accrued Liabilities	\$ 30,809
Total Liabilities	30,809
Fund Balances:	
Unassigned	76,393
Restricted for Mitigation	32,560
Total Fund Balances	108,953
TOTAL LIABILITIES AND FUND BALANCES	\$ 139,762

The accompanying notes to financial statements are an integral part of this statement.

**COLLIER CONSERVATION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2022**

Fund Balance	\$	108,953
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
Capital Assets used in Governmental Activities are not financial resources and are, therefore, in the governmental funds.		243,912
Deferred outflows of resources are reported as a result of changes in deferred amounts on pensions in the statement of net position.		13,149
Long-term liabilities and deferred income are not payable in the current period and therefore are not reported in the governmental funds.		(94,687)
Deferred inflows of resources are reported as a result of changes in deferred amounts on pensions in the statement of net position.		<u>(28,424)</u>
Net Position of Governmental Activities	<u>\$</u>	<u>242,903</u>

The accompanying notes to financial statements are an integral part of this statement.

**COLLIER SOIL AND WATER CONSERVATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

	General Fund
REVENUES	
Intergovernmental - Grants	\$ 98,857
Miscellaneous:	
Other Income	232
Interest Income	12
TOTAL REVENUES	99,101
EXPENDITURES	
Current:	
Conservation:	
Personal Services	63,891
Operating Expenditures	30,593
TOTAL EXPENDITURES	94,484
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,617
Fund Balances, October 1, 2021	104,336
FUND BALANCES, September 30, 2022	\$ 108,953

The accompanying notes to financial statements are an integral part of this statement.

**COLLIER SOIL AND WATER CONSERVATION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2022**

Net Change in Fund Balance	\$	4,617
----------------------------	----	-------

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report depreciation as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Transactions involving capital assets are summarized below:

Depreciation Expense		(1,224)
Change in Compensated Absences		(5,204)

Net change in the liability for pensions and the deferred outflows and inflows of resources are reported in the government-wide statements, but not in the governmental fund statements.

(29,323)

Change in Net Position of Governmental Activities

\$ (31,134)

The accompanying notes to financial statements are an integral part of this statement.

**COLLIER SOIL AND WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies as applicable to governmental units, which has been consistently, applied in the preparation of the financial statements of the various funds and account groups follows.

▪ Reporting Entity

The Collier Soil and Water Conservation District was authorized under Chapters 582 of the Laws of Florida to promote conservation in Collier County, Florida. District board members are nonpartisan and elected locally.

The District is an independent special district administered by a five member board of supervisors elected by the voters of Collier County. The District for financial reporting purposes includes all of the funds relevant to the operation of the District. There are not separately administered organizations, which are controlled by, or dependent on the District. Control or dependence is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing board. Therefore, in accordance with U.S. generally accepted accounting principles, the District has determined that there are no potential component units that it must include within its financial statements.

The purpose of the Collier District is to “annually assess the condition of the soils and waters, both above and below ground, in Collier County; to educate the public about the state of the soils and waters; and to promote and advocate conservation practices and policies which will benefit the soils and waters of the County.”

▪ Basis of Presentation

These financial statements are fund financial statements that have been prepared in conformity with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB) and accounting practices prescribed by the State of Florida, Office of the Auditor General.

As permitted by Chapter 10.556(4), Rules of the Auditor General State of Florida, the special-purpose financial statements consist of only the fund level financial statements as defined in GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – For State and Local Governments*.

The District reports the following major governmental fund:

General Fund – The General Fund is the general operating fund of the District. It is used to account for all financial resources, which are not properly accounted for in another fund. Activities related to the promotion of economic development flow through the General Fund.

▪ Basis of Accounting

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

**COLLIER SOIL AND WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

- All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. The major modifications to the accrual basis are : (a) revenues are recorded in the accounting period in which they become available and measureable (available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days for property taxes and ninety days for all other revenue) and (b) expenditures are recorded in the accounting period in which the liability is incurred, if measureable, except for accumulated sick and vacation compensation, which are expensed when paid.

Fiduciary fund (agency fund) statements are prepared using economic resource measurement focus and the accrual basis of accounting.

- Measurement Focus

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

All governmental funds are accounted for on a spending or “financial flow” measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

- Cash and Cash Equivalents

Cash and cash equivalents represent cash on hand as well as demand deposits, and certificates of deposit with original maturities of three months or less.

- Inventory and Prepaid Items

The purchase method is used to account for inventory and payments to vendors for costs applicable to future periods (prepaid). Under the purchase method, expenditures are recognized when the available financial resource is expended. Inventory is not deemed significant and therefore no amount has been reported.

- Interfund Loans and Transfers

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e. the current portion of interfund loans) or “advances to/from other funds” (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

- Capital Assets

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net assets but are not reported in the governmental fund financial statements. Donated assets are recorded at fair value at the date of donation.

**COLLIER SOIL AND WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

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

<u>Description</u>	<u>Estimated Lives</u>
Equipment	5 years

▪ Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County had deferred outflows at year end related to various actuarial assumption changes and valuations related to the County's portion of the Florida Retirement System Pension Plan and Retiree Health Insurance Subsidy Program annual valuations and retirement contribution payments made by the County after the valuation date of the Florida Retirement System's latest valuation but before the end of the County's fiscal year.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The only such item at year end consists of various actuarial assumption changes and valuations related to the County's portion of the Florida Retirement System Pension Plan and Retiree Health Insurance Subsidy Program annual valuations. These amounts are recognized as inflows of resources in the period that they become available.

▪ Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from these estimates.

▪ Governmental Fund Balances

Fund balances are classified either as nonspendable or spendable. Spendable fund balances are further classified in a hierarchy based on the extent to which there are external internal constraints on the spending of these fund balances. These classifications are described as follows:

Nonspendable fund balances included amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. There were no nonspendable fund balances at the Collier Soil and Water Conservation District as of September 30, 2022.

Spendable fund balances are classified based on a hierarchy of the Collier Soil and Water Conservation District's' ability to control the spending of these fund balances.

**COLLIER SOIL AND WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

Restricted fund balances are fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations or imposed by law through constitutional provisions or enabling legislation. As of September 30, 2022, the Collier Soil and Water Conservation District had \$598,062 restricted fund balances, originating from unspent grant funds.

Committed fund balances are fund balances constrained for specific purposes imposed by the Collier Soil and Water Conservation District's formal action of highest level of decision making authority. As of September 30, 2022, the Collier Soil and Water Conservation District had no committed fund balances.

Assigned fund balances are fund balances intended to be used for specific purposes, but which are neither restricted nor committed. As of September 30, 2022, the Collier Soil and Water Conservation District had assigned fund balances as indicated on the Balance Sheet.

Unassigned fund balances represent the residual positive fund balance within the general fund, which has not been assigned to other funds and has not been restricted, committed or assigned. In funds other than the general fund, unassigned fund balances are limited to negative residual fund balances. As of September 30, 2022, the Collier Soil and Water Conservation District had unassigned fund balances of \$114,157.

When expenditures are incurred for purposes for which restricted or unrestricted fund classifications could be used, it is the Collier Soil and Water Conservation District's policy to use restricted funds first, then unrestricted.

Recently Issued and Implemented Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87 (GASB 87), *Leases*. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. GASB 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

Under GASB 87, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of GASB 87 are effective for reporting periods beginning after June 15, 2021. The implementation of GASB 87 resulted in the inclusion of a lease receivable, leases payable and right of use assets in the Statement of Net Position. See note 8 for further discussion on the restatement of beginning balances required for the implementation of GASB 87.

In June 2018, the GASB issued Statement No. 89 (GASB 89), *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

**COLLIER SOIL AND WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The implementation of GASB 89 did not result in any change in the County's financial statements.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020* (GASB 92). The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019- 3, *Leases*, for interim financial reports,
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan,
- The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits,
- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements,
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition,
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers,
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature, and
- Terminology used to refer to derivative instruments.

The requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 'to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with asset retirement obligations in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

The implementation of GASB 92 did not result in any significant change in the County's financial statements.

**COLLIER SOIL AND WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

In May 2020, the GASB issued Statement No. 93 (GASB 93), *Replacement of Interbank Offered Rates*. The objectives of this Statement are to address financial reporting issues that result from the replacement of an Interbank Offered Rate (IBOR) by providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment and clarification of the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; replacing LIBOR as an appropriate benchmark interest rate for the evaluation of the effectiveness of an interest rate swap with a Secured Overnight Financing Rate or the Effective Federal Funds Rate; and providing exceptions to the lease modifications guidance in GASB 87 for lease contracts that are amended solely to replace an IBOR used to determine variable payments.

The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2022. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The implementation of GASB 93 did not result in any change in the County's financial statements.

In June 2020, the GASB issued Statement No. 97 (GASB 97), *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of GASB 97 are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of GASB 97 are effective for fiscal years beginning after June 15, 2021. The implementation of GASB 97 did not result in any change in the County's financial statements.

In October 2021, the GASB issued GASB Statement No. 98 (GASB 98), *The Annual Comprehensive Financial Report*. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. The requirements of this Statement are effective for fiscal years ending after December 15, 2021. The implementation of GASB 98 did not result in any change in the County's financial statements.

Pronouncements Issued But Not Yet Effective

The GASB has issued statements that will become effective in future years. These statements are as follows:

COLLIER SOIL AND WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

In May 2019, the GASB issued Statement No. 91 (GASB 91), *Conduit Debt Obligations*. The primary objectives of GASB 91 are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB 91 achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of GASB 91 are effective for reporting periods beginning after December 15, 2021.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94). The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96). This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, leases, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

In April 2022, the GASB issued GASB Statement No. 99, *Omnibus 2022* (GASB 99). This Statement provides guidance on the following:

**COLLIER SOIL AND WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives,
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the PPP term and (b)
- recognition and measurement of installment payments and the transfer of the underlying PPP asset,
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the SBITA term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability,
- Extension of the period during which the LIBOR is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt,
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP),
- Disclosures related to nonmonetary transactions,
- Pledges of future revenues when resources are not received by the pledging government,
- Clarification of provisions in Statement No. 34, *Basic Financial Statements— and Management's Discussion and Analysis—*for State and Local Governments, as amended, related to the focus of the government-wide financial statements,
- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and
- Terminology used in Statement 53 to refer to resource flows statements.

The requirements of this Statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

In June 2022, the GASB issued GASB Statement No. 100, *Accounting Changes and Error Corrections* (GASB 100). This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new

**COLLIER SOIL AND WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

pronouncement.

This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

In June 2022, the GASB issued GASB Statement No. 101, *Compensated Absences* (GASB 101). The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

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

NOTE 2 – BUDGETARY COMPLIANCE AND ACCOUNTABILITY

The District adopts an annual budget prior to the beginning of the next fiscal year based on historical data plus knowledge of current and future events. As the year progresses, the budget is reviewed and amended if the need occurs.

NOTE 3 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents at September 30, 2022 consisted of \$121,041 maintained in a local checking account. This depository qualifies as a "public depository", as required by law (Florida Security for Public Deposits Act Chapter 280, Florida Statutes). All the cash deposits of the Collier Soil and Water Conservation District are classified as category one risk, which means they are insured or collateralized.

NOTE 4 – CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the table below:

**COLLIER SOIL AND WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 4 – CHANGES IN CAPITAL ASSETS (continued)

GOVERNMENTAL ACTIVITIES	BALANCE 9/30/2021	ADDITIONS	DELETIONS	BALANCE 9/30/2022
Land	\$ 240,239	\$ -	\$ -	\$ 240,239
Equipment	43,874	-	-	43,874
Accumulated Depreciation	(38,977)	(1,224)	-	(40,201)
Total Capital Assets - net	<u>\$ 245,136</u>	<u>\$ (1,224)</u>	<u>\$ -</u>	<u>\$ 243,912</u>

Depreciation expense for the year ended September 30, 2022 was \$1,224.

NOTE 5 - DEFINED BENEFIT PENSION PLANS

Background

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

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

The District's pension contributions totaled \$5,665 for both the FRS Pension Plan and HIS Plan for the fiscal year ended September 30, 2022.

Florida Retirement System Pension Plan

Plan Description

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

**COLLIER SOIL AND WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 5 - DEFINED BENEFIT PENSION PLANS (continued)

- Regular Class* - Members of the FRS who do not qualify for membership in the other classes.
- Senior Management Service Class (SMSC)* - Members in senior management level positions.
- Special Risk Class* – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service.

All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

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

**COLLIER SOIL AND WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 5 - DEFINED BENEFIT PENSION PLANS (continued)

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

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

Contributions

The Florida Legislature establishes contribution rates for participating employers and employees. Effective July 1, 2011, all FRS Plan members (except those in DROP) are required to make 3% employee contributions on a pretax basis. The contribution rates effective September 30, 2021, were applied to employee salaries as follows: regular employees 11.91%, senior management 31.57%, special risk 27.83%, and DROP participants 18.60%. The District's contributions to the FRS Plan were \$4,819 for the year ended September 30, 2022.

Pension Costs

At September 30, 2022, the District reported a liability of \$40,835 for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The District's proportion of the net pension liability was based on the District's contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2021, through June 30, 2022, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2022, the District's proportion was 0.0001087%, which was a decrease of 0.0000021% from its proportion measured as of June 30, 2022.

For the year ended September 30, 2022, the District recognized pension expense of \$4,637 for its proportionate share of FRS's pension expense. In addition, the District reported its proportionate share of FRS's deferred outflows of resources and deferred inflows of resources from the following sources:

**COLLIER SOIL AND WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 5 - DEFINED BENEFIT PENSION PLANS (continued)

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 1,820	\$ -
Changes in Actuarial Assumptions	4,980	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,670	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	-	(9,587)
District Contributions Subsequent to the Measurement Date	1,368	-
Total	<u>\$ 10,838</u>	<u>\$ (9,587)</u>

\$1,159 reported as deferred outflows of resources related to pensions resulting from District contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year Ending September 30,	Amount
2023	\$ (119)
2024	(119)
2025	(119)
2026	(119)
2027	(83)
Thereafter	-

Actuarial Assumptions

The total pension liability in the July 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40% per year
Salary Increases	3.25%, Average, including inflation
Investment Rate of Return	6.7%, Net of Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB. The actuarial assumptions used in the July 1, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

**COLLIER SOIL AND WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 5 - DEFINED BENEFIT PENSION PLANS (continued)

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	2.60%	2.60%	1.10%
Fixed Income	19.80%	4.40%	4.40%	3.20%
Global Equity	54.00%	8.80%	7.30%	17.80%
Real Estate (Property)	10.30%	7.40%	6.30%	15.70%
Private Equity	11.10%	12.00%	8.90%	26.30%
Strategic Investments	3.80%	6.20%	5.90%	7.80%
Totals	<u>100.00%</u>			
Assumed Inflation - Mean			2.40%	1.30%

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, as outlined in the FRS Plan's investment policy and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Discount Rate

The discount rate used to measure the total pension liability was 6.70% for the FRS Plan. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, each of 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 long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Plan Fiduciary Net Position

Detailed information about the FRS Plan's fiduciary's net position is available in a separately-issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. That report may be obtained through the Florida Department of Management Services' website <http://www.dms.mvflorida.com>.

Retiree Health Insurance Subsidy Program

Plan Description

The Retiree Health Insurance Subsidy Program (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.

**COLLIER SOIL AND WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 5 - DEFINED BENEFIT PENSION PLANS (continued)

Benefits Provided

For the fiscal year ended June 30, 2022, 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, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

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, 2022, the contribution rate was 1.66 percent of payroll pursuant to section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding 3 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 the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The District's contributions to the HIS Plan were \$2,135 for the year ended September 30, 2022.

Pension Costs

At September 30, 2022, the District reported a liability of \$14,808 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The District's proportion of the net pension liability was based on the District's contributions received during the measurement period for employer payroll paid dates from July 1, 2021, through June 30, 2022, relative to the total employer contributions received from all participating employers. At June 30, 2021, the District's proportion was 0.0001398%, which was a decrease of 0.000041% from its proportion measured as of June 30, 2022.

For the year ended September 30, 2022, the District recognized pension expense of \$846 for its proportionate share of HIS's pension expense.

**COLLIER SOIL AND WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 5 - DEFINED BENEFIT PENSION PLANS (continued)

In addition, the District reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 449	\$ (85)
Changes in Actarial Assumptions	849	(2,291)
Net Difference Between Projected and Actual Earnings on HIS Program Investments	21	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share	769	(16,461)
District Contributions Subsequent to the Measurement Date	223	-
Total	\$ 2,311	\$ (18,837)

\$1,275 reported as deferred outflows of resources related to pensions resulting from District contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year Ending June30,	Amount
2022	\$ (569)
2023	(569)
2024	(569)
2025	(569)
2026	(228)
Thereafter	-

Actuarial Assumptions

The total pension liability in the July 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40% per year
Salary Increases	3.25%, Average, including inflation
Municipal Bond Rate	3.54% Net of Pension Plan
	Investment Expense Including Inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB. The actuarial assumptions used in the July 1, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

**COLLIER SOIL AND WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

Discount Rate

The discount rate used to measure the total pension liability was 3.54% for the HIS Plan. In general, the discount rate for calculating the 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 benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Pension Plan Fiduciary Net Position

Detailed information about the HIS Plan's fiduciary's net position is available in a separately-issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. That report may be obtained through the Florida Department of Management Services' website <http://www.dms.mvflorida.com>.

NOTE 6 - DEFINED CONTRIBUTION PLAN

Florida Retirement System Pension Plan

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Special Risk Class, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices.

Costs of administering 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 member's accounts during the 2021-22 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class. The percentages are the same as those listed previously to the FRS Plan.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS

Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2022, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

**COLLIER SOIL AND WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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

The District's Investment Plan pension expense totaled \$0 for the year ended September 30, 2022.

NOTE 7 – RISK MANAGEMENT

The Collier Soil and Water Conservation District is exposed to various risk of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District participates in a public entity risk pool administered by the Florida League of Cities, Inc. with insurance programs for general liability, auto, property and workers' compensation. The District pays an annual premium to the Florida League of Cities, Inc., for these insurance programs. Participation in the pool is non-assessable. There were no significant reductions in coverage as compared to the prior year. Settled claims have not exceeded insurance coverage in any of the past three years.

The District retains the risk of loss up to the deductible amount of \$25,000 with the risk of loss in excess of this amount transferred to the pool with limits of liability of \$300,000 per occurrence for general and professional liability and \$300,000 for automobile liability. Maximum liability coverage is \$200,000. Premiums charged during the year totaled \$9,642.

The Florida League of Cities, Inc. published financial report for the year ending September 30, 2022, can be obtained from the Florida League of Cities, Inc. Public Risk Services, 135 East Colonial Drive, Orlando, Florida 32852-0065.

NOTE 8 – SIGNIFICANT FUNDING SOURCE

The District's operations are substantially dependent on the receipt of revenue from the Florida Department of Agriculture and Consumer Services (FDACS). Loss of these funds and/or large decreases in this type of funding would have a material effect on the District and a negative impact on overall operations. For the year ended September 30, 2022, 99% of total General Fund revenue is attributable to fund received from FDACS.

NOTE 9 – COMMITMENTS

Land Trust

The District has a Mitigation Land Bank agreement with a real estate developer which required the developer to transfer \$140,000 to the District for the purchase of approximately 30 acres of undeveloped wetlands. The District is, further, required to then enhance, manage, and hold in perpetuity the respective wetlands purchased. The District has the right to transfer the land too another entity for long-term management and ownership at its discretion subject to approval by the U.S. Army Corps of Engineers. The developer entered the agreement to provide off-site compensatory mitigation for unavoidable wetland impact related to a specific real estate development. The agreement has no stated time-frame for he related land purchase. The funds are being accounted for in the General Fund.

**COLLIER SOIL AND WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 10 – GASB STATEMENT NO. 87, LEASES

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The District has not entered in to any leases.

NOTE 11 – CONTINGENCIES

Amounts received from grantor agencies are subject to audit and adjustment by grantor agencies, principally the State of Florida. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

NOTE 12 – SUBSEQUENT EVENTS

The District has evaluated events and transactions for potential recognition or disclosure in the financial statements through June 18, 2023, the date which the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

**COLLIER SOIL AND WATER CONSERVATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY COMPARISON SCHEDULE
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$ 201,176	\$ 201,176	\$ 98,857	\$ (102,319)
Miscellaneous:				
Other Income	-	-	232	232
Investment Earnings	10	10	12	2
	<u>10</u>	<u>10</u>	<u>244</u>	<u>234</u>
TOTAL REVENUE	201,186	201,186	99,101	(102,085)
EXPENDITURES				
Insurance	9,500	9,500	8,303	1,197
Dues and Fees	1,100	1,100	754	346
Miscellaneous	1,750	1,750	5,204	(3,454)
Personnel Expenses	161,150	161,150	62,410	98,740
Office Expense	2,650	2,650	1,889	761
Audit Fee and Accounting	13,400	13,400	13,900	(500)
Vehicle Expense	4,550	4,550	2,024	2,526
TOTAL EXPENDITURES	<u>194,100</u>	<u>194,100</u>	<u>94,484</u>	<u>99,616</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,086	7,086	4,617	(2,469)
Fund Balances, October 1, 2021	-	-	104,336	104,336
FUND BALANCES, SEPT. 30, 2022	<u>\$ 7,086</u>	<u>\$ 7,086</u>	<u>\$ 108,953</u>	<u>\$ 101,867</u>

See Independent Auditor's Report

**COLLIER SOIL AND WATER CONSERVATION DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM PENSION PLAN¹
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net pension liability (asset)	0.00000021%	0.0001108%	0.0001129%	0.0001638%	0.0001827%
District's proportionate share of the net pension liability (asset)	\$ 40,835	\$ 26,019	\$ 48,944	\$ 56,427	\$ 55,056
District's covered-employee payroll	\$ 52,529	\$ 51,821	\$ 51,553	\$ 102,457	\$ 129,391
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	77.74%	50.21%	94.90%	55.07%	42.56%
Plan fiduciary net position as a percentage of the total pension liability	99.90%	99.90%	99.90%	99.90%	99.90%

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

¹ Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the District will present information for only those years for which information is available.

See Independent Auditor's Report

**COLLIER SOIL AND WATER CONSERVATION DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS -
FLORIDA RETIREMENT SYSTEM PENSION PLAN¹
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 4,637	\$ 5,165	\$ 4,086	\$ 4,869	\$ 5,209
Contributions in relation to the contractually required contribution					
Contribution deficiency (excess)	<u>(4,637)</u>	<u>(5,165)</u>	<u>(4,086)</u>	<u>(4,869)</u>	<u>(5,209)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 52,529	\$ 51,821	\$ 51,553	\$ 102,457	\$ 129,391
Contributions as a percentage of covered-employee payroll	8.83%	9.96%	7.93%	4.75%	4.03%

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

¹ Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the District will present information for only those years for which information is available.

See Independent Auditor's Report

**COLLIER SOIL AND WATER CONSERVATION DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
HEALTH INSURANCE SUBSIDY PENSION PLAN
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District proportion of the net pension liability (asset)	0.0001398%	0.0001439%	0.0001767%	0.0003343%	0.0003927%
District's proportionate share of the net pension liability (asset)	\$ 14,809	\$ 17,653	\$ 21,575	\$ 37,409	\$ 41,571
District's covered-employee payroll	\$ 52,529	\$ 51,821	\$ 51,553	\$ 102,457	\$ 129,391
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	28.19%	34.06%	41.80%	36.51%	32.12%
Plan fiduciary net position as a percentage of the total pension liability	0.50%	0.50%	0.50%	0.50%	0.50%

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

¹ Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the District will present information for only those years for which information is available.

See Independent Auditor's Report

**COLLIER SOIL AND WATER CONSERVATION DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
HEALTH INSURANCE SUBSIDY PENSION PLAN¹
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022***

	2022	2021	2020	2019	2018
Contractually required contribution	\$ 846	\$ 1,253	\$ 1,400	\$ 1,716	\$ 2,135
Contributions in relation to the contractually required contribution					
Contribution deficiency (excess)	(846)	(1,253)	(1,400)	1,716	(2,135)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,432</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 52,529	\$ 51,821	\$ 51,553	\$ 102,457	\$ 129,391
Contributions as a percentage of covered-employee payroll	1.61%	2.42%	2.72%	1.67%	1.65%

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

¹ Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the District will present information for only those years for which information is available.

See Independent Auditor's Report

JAMES E. DAVIS, CPA
1733 Old Plank Road
Crawfordville, FL 32327
Phone: (850) 445-5878

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS**

Board of Directors
Collier Soil and Water Conservation District
Naples, Florida

I have audited the financial statements of Collier Soil and Water Conservation District, Florida (the District), as of and for the year ended September 30, 2022, and have issued my report thereon dated June 18, 2023. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the District's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I do not express an opinion on the effectiveness of the District's internal control.

My consideration of internal control was for the limited purpose described in the preceding paragraph 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 were not identified. However, as described in the accompanying management letter, I identified no deficiencies in internal control that I consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or 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. No deficiencies were noted that were considered to be a material weakness.

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. During my audit I did not identify any deficiencies in internal control that I consider to be a significant deficiency. However, significant deficiencies may exist that have not been identified.

Compliance and Other Matters

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

I noted certain other matters that were reported to the District in a separate letter June 18, 2023.

District's Response to Findings

The District's responses to the findings identified in my audit are included in the accompanying management letter. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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.

James E. Davis
Certified Public Accountant

June 18, 2023

JAMES E. DAVIS, CPA

1733 Old Plank Road
Crawfordville, FL 32327
Phone: (850) 445-5878

INDEPENDENT ACCOUNTANT’S REPORT ON AN EXAMINATION CONDUCTED IN ACCORDANCE WITH AICPA PROFESSIONAL STANDARDS, SECTION 601, REGARDING COMPLIANCE REQUIREMENTS IN ACCORDANCE WITH CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

Collier Soil and Water Conservation District
Naples, Florida

I have examined the Collier Soil and Water Conservation District’s (the District) compliance with the requirements of Section 218.415, Florida Statutes, Local Government Investment Policies, during the year ended September 30, 2022. Management is responsible for the District’s compliance with those requirements. My responsibility is to express an opinion on the District’s compliance based on my examination.

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

In my opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

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

James E. Davis
Certified Public Accountant

June 18, 2023

JAMES E. DAVIS, CPA
1733 Old Plank Road
Crawfordville, FL 32327
Phone: (850) 445-5878

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Collier Soil and Water Conservation District
Naples, Florida

Report on the Financial Statements

I have audited the financial statements of Collier Soil and Water Conservation District as of and for the fiscal year ended September 30, 2022 and have issued my report thereon dated June 18, 2023.

Auditor's Responsibility

I conducted my 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General.

Other Reports and Schedules

I have issued my Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project 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*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated, June 18, 2023, should be considered in conjunction with this management letter.

Audit Findings

No audit findings were discovered for the year ending September 30, 2022.

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 contained in the footnotes.

Financial Condition

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that I report the results of my determination as to whether or not Collier Soil and Water Conservation District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with my audit, I determined Collier Soil and Water Conservation District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. ad 10.556(8), Rules of the Auditor General, I applied financial condition assessment procedures. It is management's responsibility to monitor Collier Soil and Water Conservation District's financial condition, and my financial condition assessment was based in part on representations made by management and the review of financial information provided by the same.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that I communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with my audit, I did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes. The District does not include any special district component units.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Collier Soil and Water Conservation District reported:

- a) The total number of district employees compensated in the last pay period of the District's fiscal year is 1.
- b) The total number of independent contracts to whom nonemployee compensation was paid in the last month of the District's fiscal year was \$0.
- c) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency is \$52,529.
- d) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency was \$0.
- e) There are no construction projects with a total cost of at least \$65,000 approved by the District that are scheduled to begin on or after October 1st of the fiscal year being reported.
- f) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes, see page 31 of the financial statements.

Annual Financial Report

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that I report the results of my determination as to whether the annual financial report for Collier Soil and Water Conservation District for the fiscal year ended September 30, 2022, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(1), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2022. In connection with my audit, I determined that these two reports were in agreement, as the audit report will be used to complete the annual financial report.

Other Matters

Section 10.554(1)(i)2., Rules of the Auditor General, requires that I address in the management letter any recommendations to improve financial management. In connection with my audit, I did not have any such recommendations.

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

Purpose of this Letter

My 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, Collier Soil and Water Conservation District, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

James E. Davis
Certified Public Accountant

June 18, 2023

**COLLIER SOIL AND WATER CONSERVATION DISTRICT
SCHEDULE OF FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

STATE AGENCY/PASS THROUGH ENTITY/PROJECT	CFDA/CFSA NUMBER	CONTRACT/GRANT NUMBER	EXPENDITURES
<hr/>			
Florida Department of Agriculture and Consumer Services			
Agricultural Nonprofit Source Best Management Practices Implementation			
Lower West Coast Mobile Irrigation Laboratory	42.017	27060	98,857
			<hr/> <u>\$ 98,857</u> <hr/>

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - STATE PROJECTS
FISCAL YEAR ENDED SEPTEMBER 30, 2022**

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of Collier County Soil and Water Conservation District.
2. No significant deficiencies were reported in the Independent Auditor's report on Compliance and on Internal Control over Financial Reporting Based on an Audit of the General Purpose Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of Collier County Soil and Water Conservation District were disclosed during the audit.
4. The audit disclosed no significant deficiencies in internal control over any major federal program and state project.
5. The report on compliance with requirements applicable to the major state projects expressed an unqualified opinion.
6. The audit disclosed no findings related to the major state projects.
7. The District had no major state programs.
8. The threshold for distinguishing Type A and Type B project was \$300,000 for major state projects.

B. FINDINGS – FINANCIAL STATEMENTS

See Management Letter for discussion of recommendations resulting from audit of financial statement,

Management response is included in the Management Letter.

C. FINDINGS AND QUESTIONED COSTS – MAJOR STATE PROJECTS

No major projects.

D. OTHER ISSUES

1. No Summary Schedule of Prior Audit Findings is required as there were no prior audit findings related to Federal programs or State projects.
2. No Corrective Action Plan is required because there were no findings required to be reported under the Federal or Florida Single Audit Acts.