



South Indian River
*Water Control District*TM

FINANCIAL STATEMENTS
September 30, 2022

South Indian River Water Control District

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INTRODUCTORY SECTION

South Indian River Water Control District

Board of Supervisors

September 30, 2022

Michael Howard	President
Tomas H. Powell	Vice President
John Meyer	Member
John Jones	Member
Susan Kennedy	Member

Manager of Operations

Michael Dillon
Jupiter, Florida

Counsel to the District

Terry E. Lewis
William G. Capko
Lewis, Longman & Walker, P.A.
West Palm Beach, Florida

Treasurer

Charles F. Haas
Certified Public Accountant
Palm Beach Gardens, Florida

District Engineer

Karin Brandon, PE
AECOM, Inc.
Palm City, Florida

FINANCIAL SECTION



Grau & Associates

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
South Indian River Water Control District
Jupiter, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of South Indian River Water Control District, Jupiter, Florida ("District") as of and for the fiscal 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. The prior year partial comparative information has been derived from the District's 2021 financial statements and, in our report dated May 10, 2022, we expressed unmodified opinions on the respective financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information Included in the Financial Report

Management is responsible for the other information included in the financial report. The other information comprises the information for compliance with FL Statute 218.39 (3) (c), but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



June 23, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As management of South Indian River Water Control District (the District) we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of South Indian River Water Control District for the fiscal year ended September 30, 2022. We encourage readers to consider the information presented in this discussion and analysis in conjunction with the District's basic financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

Government-Wide

- At September 30, 2022, the assets of the District exceeded its liabilities by \$20,864,646. Of this amount, \$1,307,588 may be used to meet the District's ongoing operations.
- The District's net position increased by \$102,264 primarily from grant revenue and a reduction in program expenses.
- The District's total revenues (on an accrual basis) were \$4,213,245 for the year ended September 30, 2022, an increase of \$195,683. The increase is primarily due to the increased assessments levied, charges for services and grant revenue.
- The total cost of all the District's programs was \$4,110,981 a decrease of \$40,488. The decrease was largely due to reduction in the cost of road maintenance services.

Governmental Funds

- At September 30, 2022, the District's governmental funds reported combined ending fund balances of \$4,180,962 a decrease of \$213,609 from the prior year.
- At the end of the current fiscal year, the District's fund balances assigned for subsequent year operations totaled \$1,479,066 or 35% of total fund balances.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to South Indian River Water Control District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. One of the most important questions asked about the District's finances is "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. All information is presented utilizing the economic resources measurement focus and the accrual basis of accounting.

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, an increase or decrease in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Other factors should be considered, however, such as the condition of the District's capital assets (canals, culverts, buildings, etc.) to assess the overall health of the District.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The government-wide financial statements can be found on pages 9 – 11 of this report.

Under Governmental Accounting Standards Board (GASB) Statement No. 75 Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, the District is required to report the cost of benefits to retired employees during the time of their employment and how those benefits will be funded. The State of Florida requires local governments to provide health care insurance to all retirees either funded by the government or by the retiree at the rate that all remaining employees are charged. The rate charged by insurance companies is blended rather than tiered by age. Thus, a retired employee is charged the same rate as a younger employee creating an implicit benefit. This benefit should be expensed, if material, and disclosed in the financial statement. At September 30, 2022, there was no net OPEB liability.

Fund 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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The District's funds can be divided into two categories: governmental funds and proprietary funds. The two kinds of funds use different accounting approaches. The District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We reconcile the differences between government-wide activities (reported in the statement of net position and the statement of activities) and governmental funds on separate schedules following the respective governmental funds.

At September 30, 2022, the District maintained 17 individual governmental funds: 7 special revenue funds, 7 debt service funds, and 3 capital project funds. Some funds are required by state law. However, the District establishes other funds to help it control and manage money for particular purposes or to show that it is meeting its legal and fiduciary responsibilities. The fund financial statements provide detailed information about the most significant funds – not the District as a whole. Accordingly, 7 major funds are reported individually in the governmental funds balance sheet and statement of revenues, expenditures and changes in fund balances. The remaining governmental funds are reported in these statements as a combined total.

The District uses an internal service fund, (a proprietary fund), to account for services provided to the other funds. Proprietary fund activities are reported in the same accounting basis and measurement focus as the statement of net position and the statement of activities.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 21 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, specifically, budgetary comparisons for the District's four major special revenue funds for which budgets are adopted. The District adopts annual budgets for the Special Revenue and Debt Service Funds pursuant to the requirements of Florida Statutes using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may

not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. More detailed information about the District's budgets is presented in the notes of the financial statements.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on budgetary comparisons. Combining fund statements for nonmajor funds can be found on pages 43 – 54 of this report.

The District as a Whole (Government-Wide)

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of South Indian River Water Control District, assets exceeded liabilities by \$20,864,646 at the close of the most recent year. The largest portion of the District's net position (71%) reflects its investments in capital assets (land, canals, levees, buildings, machinery, and equipment). The District uses capital assets to provide services to landowners; accordingly, these assets are not available for future spending. An additional portion of the District's net position (23%) represents resources that are subject to restrictions on how they may be used. These resources can be used only for debt service or future construction activities. The remaining unrestricted net position, \$1,307,588 may be used to meet ongoing operations.

The following analysis highlights the net position as of September 30, 2022, and 2021:

	2022	2021	Increase (Decrease)	% Change
Current and other assets	\$ 6,323,637	\$ 6,726,359	\$ (402,722)	-6%
Long-term receivables	10,407,938	12,106,279	(1,698,341)	-14%
Capital assets	16,972,841	16,260,105	712,736	4%
Total assets	<u>33,704,416</u>	<u>35,092,743</u>	<u>(1,388,327)</u>	<u>-4%</u>
Current liabilities	2,018,378	2,058,469	(40,091)	-2%
Non-current debt	10,519,689	12,271,892	(1,752,203)	-14%
Total liabilities	<u>12,538,067</u>	<u>14,330,361</u>	<u>(1,792,294)</u>	<u>-13%</u>
Deferred inflows of resources				
Lease related	301,703		301,703	100%
Net position:				
Net Investment in capital assets	14,824,879	13,501,358	1,323,521	10%
Restricted for:				
Capital projects	-	2,532	(2,532)	-100%
Debt service	4,732,179	5,627,388	(895,209)	-16%
Unrestricted	1,307,588	1,631,104	(323,516)	-20%
Total net position	<u>\$ 20,864,646</u>	<u>\$ 20,762,382</u>	<u>\$ 102,264</u>	<u>0%</u>

The following analysis highlights the changes in net position for the years ended September 30, 2022 and 2021:

	2022	2021	Increase (Decrease)	% Change
Revenues:				
Program revenues:				
Assessments	\$ 3,871,743	\$ 3,814,828	\$ 56,915	1%
Charges for services	259,310	192,491	66,819	35%
Grant Income	64,800	-	64,800	100%
Restricted investment income	17,392	10,243	7,149	70%
Total revenues	4,213,245	4,017,562	195,683	5%
Program expenses including direct expenses:				
Water control	1,920,629	1,793,216	127,413	7%
Road maintenance	1,598,014	1,746,531	(148,517)	-9%
Recreation	41,066	34,249	6,817	20%
Infrastructure financing	551,272	577,473	(26,201)	-5%
Total program expenses	4,110,981	4,151,469	(40,488)	-1%
Increase (decrease) in net position	102,264	(133,907)	236,171	100%
Net position, beginning of year	20,762,382	20,896,289	(133,907)	-1%
Net position, end of year	\$ 20,864,646	\$ 20,762,382	\$ 102,264	0%

Capital Assets and Debt Administration

Capital Assets

At September 30, 2022, the District had \$24,121,694 invested in capital assets for its governmental activities. In the government-wide financial statements depreciation of \$7,408,877 has been taken, which resulted in a net book value of \$16,712,817. More detailed information about the District's capital assets is presented in the notes of the financial statements.

Capital Debt

At September 30, 2022, the District had \$12,221,896 Bonds, Notes, and capital leases outstanding for its governmental activities. More detailed information about the District's capital debt is presented in the notes of the financial statements.

Significant Activities

The District continued its Driveway Improvement Program that together with landowner participation, replaces damaged or crushed driveway culverts which impede storm water flow.

The District began construction of drainage improvements in Jupiter Farms and Palm Beach Country Estates. The project in Jupiter Farms will be partially funded by a grant from the Florida Department of Environmental Protection (FDEP) for \$353,650. This project and one of the projects in Palm Beach Country Estates is scheduled for completion in the next fiscal year. The second project in Palm Beach County Estates is also partially funded by a grant from the FDEP for \$312,500 with completion within the next two years.

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Treasurer: Charles F. Haas, CPA, South Indian River Water Control District, 15600 Jupiter Farms Road, Jupiter Florida, 33478.

GOVERNMENT-WIDE

FINANCIAL STATEMENTS

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Statements of Net Position

September 30, 2022 and 2021

	2022	2021
Assets:		
Current assets		
Cash and short-term investments - unrestricted	\$ 3,194,437	\$ 3,606,814
Cash and short-term investments - restricted	1,283,721	1,362,485
Receivables:		
Special assessments receivable - current portion - restricted	1,698,341	1,645,082
Due from other governments	96,209	-
Other receivables	50,929	55,554
Prepaid expenses	-	56,424
Total current assets	6,323,637	6,726,359
Noncurrent assets		
Long term receivable - special assessments - restricted	10,407,938	12,106,279
Long term financing agreement receivable	260,024	-
Capital assets not being depreciated:		
Land, canals, easements, and construction in progress	7,630,220	7,655,517
Capital assets being depreciated:		
Accumulated depreciation on depreciable capital assets	(7,408,877)	(6,887,307)
Total noncurrent assets	27,380,779	28,366,384
Total assets	\$ 33,704,416	\$ 35,092,743
Liabilities:		
Current liabilities:		
Accounts and contracts payable	\$ 125,629	\$ 218,980
Accrued interest payable	143,736	143,735
Current portion of long-term debt	1,749,013	1,695,754
Total current liabilities	2,018,378	2,058,469
Noncurrent liabilities:		
Bond payable	7,675,000	8,520,000
Notes payable	2,732,938	3,586,279
Financing agreement payable	54,945	105,618
Accrued compensated absences	56,806	59,995
Total noncurrent liabilities	10,519,689	12,271,892
Deferred inflows of resources		
Financing agreement related	301,703	-
Total deferred inflows of resources	301,703	-
Total liabilities and deferred inflow of resources	12,839,770	14,330,361
Net Position:		
Net investment in capital assets	14,824,879	13,501,358
Restricted for:		
Capital projects	-	2,532
Debt service	4,732,179	5,627,388
Unrestricted	1,307,588	1,631,104
Total net position	\$ 20,864,646	\$ 20,762,382

See accompanying notes to financial statements.

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Statements of Activities

Years Ended September 30, 2022 and 2021

	2022				
	Total	Water Control	Road Maintenance	Park Maintenance	Infrastructure Financing
Expenses:					
Direct expense:					
Physical environment	\$ 1,829,280	\$ 1,829,280	\$ -	\$ -	\$ -
Transportation	975,562	-	975,562	-	-
Recreation	20,379	-	-	20,379	-
Interest on debt	442,379	-	-	-	442,379
Indirect expenses:					
Depreciation	734,488	91,349	622,452	20,687	-
Other	108,893	-	-	-	108,893
Total expenses	4,110,981	1,920,629	1,598,014	41,066	551,272
Revenues:					
Program revenues:					
Assessments	3,871,743	2,402,174	1,012,234	22,347	434,988
Grant income	64,800	64,800	-	-	-
Other income	259,310	93,936	133,123	-	32,251
Restricted investment earnings	17,392	8,938	6,418	14	2,022
Total program revenues	4,213,245	2,569,848	1,151,775	22,361	469,261
Net program income (expense)	\$ 102,264	\$ 649,219	\$ (446,239)	\$ (18,705)	\$ (82,011)
Change in net position	102,264				
Net position - beginning	20,762,382				
Net position - ending	\$ 20,864,646				

See accompanying notes to financial statements.

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Statements of Activities

Years Ended September 30, 2022 and 2021

	2021				
	Total	Water Control	Road Maintenance	Park Maintenance	Infrastructure Financing
Expenses:					
Direct expenses:					
Physical environment	\$ 1,698,564	\$ 1,698,564	\$ -	\$ -	\$ -
Transportation	1,128,672	-	1,128,672	-	-
Recreation	13,563	-	-	13,563	-
Interest on debt	475,046	-	-	-	475,046
Indirect expenses:					
Depreciation	733,197	94,652	617,859	20,686	-
Other	102,427	-	-	-	102,427
Total expenses	4,151,469	1,793,216	1,746,531	34,249	577,473
Revenues:					
Program revenues:					
Assessments	3,814,828	2,401,938	891,781	22,356	498,753
Grant income	-	-	-	-	-
Other income	192,491	72,412	109,412	-	10,667
Restricted investment earnings	10,243	4,369	2,208	84	3,582
Total program revenues	4,017,562	2,478,719	1,003,401	22,440	513,002
Net program income (expense)	\$ (133,907)	\$ 685,503	\$ (743,130)	\$ (11,809)	\$ (64,471)
Change in net position	(133,907)				
Net position - beginning	20,896,289				
Net position - ending	\$ 20,762,382				

See accompanying notes to financial statements.

Fund Financial Statements

Governmental Funds

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Balance Sheet

Governmental Funds

September 30, 2022

	Special Revenue Funds			
	Water Control Eastside	Water Control Westside	Road Maintenance - PBCE	Road Maintenance - Jupiter Farms
Assets:				
Cash and short-term investments	\$ 474,427	\$ 720,961	\$ 146,291	\$ 36,700
Receivables:				
Special assessments	-	-	-	-
Due from other governments	3,037	8,586	925	4,848
Total assets	\$ 477,464	\$ 729,547	\$ 147,216	\$ 41,548
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued expenses	\$ 10,164	\$ 34,551	\$ 8,666	\$ 26,369
Total liabilities	10,164	34,551	8,666	26,369
Deferred inflows of resources:				
Unavailable revenue-special assessments	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances:				
Restricted for:				
Debt service	-	-	-	-
Committed for:				
Renewal and replacement	-	-	-	-
Assigned for:				
Subsequent years operations	467,300	694,996	138,550	15,179
Subsequent year's capital expenditures	-	-	-	-
Total fund balances	467,300	694,996	138,550	15,179
Total liabilities, deferred inflows of resources, and fund balances	\$ 477,464	\$ 729,547	\$ 147,216	\$ 41,548

See accompanying notes to financial statements.

Debt Service Funds		Capital Projects			
2015 Water Distribution System Bonds	2007 Series A OGEM Road Note	Road Improvement Funds	Other Governmental Funds	Total Governmental Funds	
\$ 898,918	\$ 75,346	\$ 1,156,291	\$ 681,825	\$ 4,190,759	
8,520,000	1,058,497	-	2,527,782	12,106,279	
1,397	620	-	76,796	96,209	
\$ 9,420,315	\$ 1,134,463	\$ 1,156,291	\$ 3,286,403	\$ 16,393,247	
\$ 2,974	\$ 659	\$ -	\$ 22,623	\$ 106,006	
2,974	659	-	22,623	106,006	
8,520,000	1,058,497	-	2,527,782	12,106,279	
8,520,000	1,058,497	-	2,527,782	12,106,279	
897,341	75,307	-	316,988	1,289,636	
-	-	1,156,291	-	1,156,291	
-	-	-	163,041	1,479,066	
-	-	-	255,969	255,969	
897,341	75,307	1,156,291	735,998	4,180,962	
\$ 9,420,315	\$ 1,134,463	\$ 1,156,291	\$ 3,286,403	\$ 16,393,247	

See accompanying notes to financial statements.

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SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Reconciliation of Governmental Funds Balance Sheet

to the Statement of Net Position

September 30, 2022

Total governmental fund balances \$ 4,180,962

Amounts reported in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund statements:

Capital assets	\$ 21,782,001	
Less accumulated depreciation	<u>(6,097,171)</u>	15,684,830

An internal service fund is used by management to charge the costs of certain activities to individual units. The assets and liabilities of the internal service fund are reported in the statement of net position. 1,142,590

Revenue for special assessments is deferred for fund reporting but is recognized in the government-wide statements at the time the assessment is levied. The deferral is not reported on the government-wide statements. 12,106,279

Some liabilities, including debt obligations, are not due and payable in the current period and therefore are not reported in the funds statements. Long term liabilities at year-end are:

Bond, notes & capital lease payable	(12,106,279)	
Accrued interest on long-term debt	<u>(143,736)</u>	(12,250,015)

Total net position - governmental activities \$ 20,864,646

See accompanying notes to financial statements.

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

*Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2022*

	Special Revenue Funds			
	Water Control Eastside	Water Control Westside	Road Maintenance - PBCE	Road Maintenance - Jupiter Farms
Revenues:				
Assessments	\$ 532,021	\$ 1,516,454	\$ 162,027	\$ 850,207
Charges for services	10,879	39,841	10,880	39,842
Investment income	656	2,440	158	808
Miscellaneous	-	-	-	-
Total revenues	543,556	1,558,735	173,065	890,857
Expenditures:				
Current:				
Physical environment	505,714	1,482,406	-	-
Transportation	-	-	245,926	801,092
Recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Other debt service	-	-	-	-
Total expenditures	505,714	1,482,406	245,926	801,092
Excess (deficiency) of revenues over (under) expenditures	37,842	76,329	(72,861)	89,765
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	(56,100)	-	-
Total other financing sources (uses)	-	(56,100)	-	-
Net change in fund balance	37,842	20,229	(72,861)	89,765
Fund balances, beginning of year	429,458	674,767	211,411	(74,586)
Fund balances, end of year	\$ 467,300	\$ 694,996	\$ 138,550	\$ 15,179

See accompanying notes to financial statements.

Debt Service Funds		Capital Projects			
2015 Water Distribution System Bonds	2007 Series A OGEM Road Note	Road Improvement Funds	Other Governmental Funds	Total Governmental Funds	
\$ 1,000,961	\$ 223,548	\$ -	\$ 1,231,607	\$ 5,516,825	
-	-	-	64,800	64,800	
1,351	193	-	-	101,442	
32,251	-	-	881	6,487	
1,034,563	223,741	-	1,297,288	5,721,805	
-	-	-	1,448	1,989,568	
-	-	2,532	-	1,049,550	
-	-	-	20,379	20,379	
-	-	413,874	470,042	883,916	
825,000	187,002	-	633,080	1,645,082	
256,988	51,730	-	129,308	438,026	
14,178	2,087	-	92,628	108,893	
1,096,166	240,819	416,406	1,346,885	6,135,414	
(61,603)	(17,078)	(416,406)	(49,597)	(413,609)	
-	-	299,400	130,740	430,140	
-	-	-	(174,040)	(230,140)	
-	-	299,400	(43,300)	200,000	
(61,603)	(17,078)	(117,006)	(92,897)	(213,609)	
958,944	92,385	1,273,297	828,895	4,394,571	
\$ 897,341	\$ 75,307	\$ 1,156,291	\$ 735,998	\$ 4,180,962	

See accompanying notes to financial statements.

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

*Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended September 30, 2022*

Net change in fund balances - total governmental funds \$ (213,609)

Amounts reported in the statement of activities are different because:

Governmental funds do not include the internal service fund activities which are reported in the statement of activities. 3,581

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. 312,292

The issuance of long-term debt obligations provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Special assessment debt principal payments	\$ 1,645,082	
Total debt adjustments		1,645,082

Governmental funds report annual collections of debt assessments as revenue, including the portion collected for principal repayment. However, in the statement of activities, the principal repayment portion was recognized as revenue upon adoption of the resolutions authorizing the debt. (1,645,082)

Change in net position of governmental activities \$ 102,264

See accompanying notes to financial statements.

***Proprietary Fund-Internal
Service Fund***

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SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Statement of Net Position

Internal Service Fund

September 30, 2022

Assets:

Current assets:

Cash and short-term investments	\$	287,399
Accounts receivable		9,250
Lease receivable		41,679
Total current assets		338,328

Noncurrent assets:

Lease receivable		260,024
Equipment		2,339,693
Accumulated depreciation		(1,311,706)
Total noncurrent assets		1,288,011

Total assets **\$ 1,626,339**

Liabilities:

Current liabilities:

Accounts payable and accrued expenses	\$	19,623
Financing agreement payable		50,672
Total current liabilities		70,295

Noncurrent liabilities:

Accrued compensated absences		56,806
Financing agreement payable		54,945
Total liabilities		182,046

Deferred inflows of resources:

Lease related		301,703
Total deferred inflows of resources		301,703

Net Position

Investment in capital assets		1,027,987
Net position - unrestricted		114,603
Total net position		1,142,590
Total liabilities, deferred inflow of resources and net position	\$	1,626,339

See accompanying notes to financial statements.

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Statement of Revenues, Expenses and Changes in Net Position

Internal Service Fund

Year Ended September 30, 2022

Operating revenues:

Charges for services	\$ 2,143,190
Other	16,045

Total operating revenues **2,159,235**

Operating expenses:

Personal services	1,221,264
Materials, supplies, services and other operating expenses	645,332
Depreciation	162,864

Total operating expenses **2,029,460**

Operating income 129,775

Nonoperating revenues (expenses):

Investment income	10,905
Rental income	25,597
Gain on the disposition of equipment	46,975
Interest on equipment financing agreement	(4,353)
Transfers out	(200,000)

Total nonoperating expenses **(120,876)**

Change in net position 8,899

Net position, beginning of year 1,133,691

Net position, end of year **\$ 1,142,590**

See accompanying notes to financial statements.

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Statement of Cash Flows

Internal Service Fund

Year Ended September 30, 2022

Cash flows from operating activities:

Cash receipts from quasi-external operating transactions	\$ 2,161,690
Cash payments to suppliers for goods and services	(687,349)
Cash payments to employees for services	(1,224,453)
Other operating revenues	16,045

Net cash provided by operating activities **265,933**

Cash flows from capital and related financing activities:

Purchase of fixed assets	(308,601)
Interest on equipment financing agreement	(4,353)
Sale of Equipment	46,975

Net cash used by capital and related financing activities **(265,979)**

Cash flows from noncapital financing activities

Interest income	10,905
Rental income	25,597
Transfers to other funds-net	(200,000)

Net cash used by noncapital financing activities **(163,498)**

Net decrease in cash and cash equivalents (163,544)

Cash and cash equivalents, beginning of year 450,943

Cash and cash equivalents, end of year **287,399**

Reconciliation of operating income to net cash provided by operating activities:

Operating income **129,775**

Adjustments to reconcile operating income to net cash provided by operating activities:

Depreciation expense	162,864
Decrease in:	
Accounts receivable	18,500
Prepaid expenses	56,424
Increase in:	
Accounts payable and accrued expenses	(98,441)
Accrued compensated absences	(3,189)

Total adjustments **136,158**

Net cash provided by operating activities **\$ 265,933**

See accompanying notes to financial statements.

Notes to Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Regulatory Requirements

South Indian River Water Control District (the "District") was originally incorporated as South Indian River Drainage District on July 3, 1923, by decree of the Circuit Court of the Fifteenth Judicial Circuit in and for Palm Beach County, State of Florida, pursuant to Chapter 6458 of the Laws of the State of Florida, approved June 9, 1923. Subsequent legislation has extended the powers granted to the District. The Charter of the District has been codified as Chapter 2001-313, Laws of Florida.

The purpose of the District is to provide surface water management of lands within the District by constructing and maintaining the necessary canals, roads, pumping stations, and other water control structures. The District also has the responsibility for the maintenance and repair of dedicated roads and road rights of way, including swales thereof, within the District, where such maintenance and repair is not performed by other governmental units, and to provide potable water distribution, wastewater collection and park maintenance services in a portion of the District.

The District contains approximately 12,000 acres located in Township 40 South, Range 41 East; Township 41 South, Range 41 East; and Township 41 South, Range 42 East, Palm Beach County, Florida.

Accounting Principles

The accounting methods and procedures adopted by the District conform to U.S. generally accepted accounting principles as applied to governmental entities. The District follows the requirements of GASB Statement No. 34. This statement requires the following to be presented in the financial statements:

Management's discussion and analysis;

Basic Financial Statements:

Government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting,

Fund financial statements, consisting of a series of statements that focus on a government's major funds,

Notes to the financial statements;

Required Supplementary Information, which requires budgetary comparison schedules to be presented.

Additionally, GASB Statement No. 34 requires the elimination of the effects of internal service activities and the recording of depreciation for general capital assets.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basic Financial Statements

The basic financial statements include both government-wide and fund financial statements. The government-wide statements focus on the District as a whole, while the fund financial statements focus on major individual funds.

Government-wide Financial Statements

The government-wide financial statements include a statement of net position and a statement of activities. These statements report information on all of the activities of the District. Inter-fund activity has been eliminated from these statements. The statement of activities demonstrates the extent to which the direct expenses for a given program or function is offset by program revenues. Program revenues include special assessments levied by the District, miscellaneous charges for external services, and restricted investment income. Certain miscellaneous items are reported as general revenues.

Fund Financial Statements

Separate financial statements are provided for governmental funds, and the internal service fund. Major individual governmental funds are reported as separate columns.

The District reported the following seven major individual governmental funds for the year ended September 30, 2022

Special Revenue Funds

Water Control Eastside

Water Control Westside

Road Maintenance - Palm Beach Country Estates (PBCE)

Road Maintenance - Jupiter Farms

Debt Service Funds

2015 Water Distribution System Refunding Bonds

2007 Series A OGEM Road Improvement Note

Capital Projects Funds

Road Improvement Funds

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basic Financial Statements (Continued)

Since the principal users of internal services are the District's governmental activities, the financial statements of the internal service fund are consolidated into the governmental activities in the government-wide statements. This avoids "doubling up" revenues and expenses.

Basis of Presentation

Government-wide Financial Statements

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

Because the government-wide statements are presented on a different measurement focus and basis of accounting than the fund financial statements, reconciliations are presented to explain the adjustments needed to transform the fund-based financial statements into the government-wide presentation.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Revenues for expenditure-driven grants or cost sharing arrangements are made when the qualifying expenditures are included.

Assessment and interest revenues associated with the current fiscal period are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

The District uses the County Property Appraiser and Tax Collector to collect assessments. Maintenance assessments are levied on October 1 of each year. Debt assessments are levied at the time the related debt is authorized. Maintenance assessments and annual installments of debt assessments are included with property tax bills which are mailed on or about November 1 and must be paid by the following March. Tax bills not paid are declared delinquent and tax certificates are sold in July to satisfy the lien. Unsold certificates paid after September 30, are recorded as revenue in the fiscal year received.

The District's proprietary fund is accounted for using the economic resources measurement focus and the accrual basis of accounting

Fund Accounting

The District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. The reporting model sets forth minimum criteria (percentage of total assets, liabilities, revenues or expenditures of governmental funds) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements and detailed in the combining section.

The District utilizes the following fund types:

Governmental Funds

Special Revenue Funds – These funds are used to account for revenues which are restricted to the maintenance of water control facilities, roads and a park.

Debt Service Funds – These funds are used to account for the payment of interest and principal on long-term debt.

Capital Projects Fund – These funds are used to account for resources to be used for the acquisition or construction of major capital facilities.

Proprietary Fund

Internal Service Fund – This fund is used to account for the provision of maintenance services to individual units on a cost reimbursement basis.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting

The District adopts annual budgets for the Special Revenue and Debt Service Funds that are funded with special assessments on a basis consistent with generally accepted accounting principles (GAAP). As required by GASB Statement No. 34, budgetary comparison schedules are presented for the major special revenue funds. Budgetary comparison schedules are not required and have not been presented for debt service or capital projects funds or for nonmajor special revenue funds.

Statement of Cash Flows

For purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

Cash and Investments

The District's cash and cash equivalents are considered to be cash on hand and demand deposits (interest and non-interest bearing).

The District has elected to proceed under the Alternative Investment Guidelines as set forth in Section 218.415 (17) Florida Statutes. The District may invest any surplus public funds in the following:

- a) The Local Government Surplus Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act;
- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
- c) Interest bearing time deposits or savings accounts in qualified public depositories;
- d) Direct obligations of the U.S. Treasury.

Investments are separately held and individually accounted for where contractual arrangements or debt covenants provide for and require such arrangements. Investments are stated at fair value (See Note 2).

Special Assessments Receivable/Unavailable Revenue

Special assessments receivable recorded in the Debt Service Funds represent the balance of outstanding assessments levied by the District to repay outstanding debt net of available restricted cash and investments. The assessments are levied at the time the related debt issuance is authorized. The receivables are collected in annual installments together with assessments for interest and collection costs in amounts sufficient to meet the annual debt service requirements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Special Assessments Receivable/Unavailable Revenue (Continued)

The District reports unavailable revenue in the fund financial statements in an amount equal to the special assessments receivable since this revenue will be collected in future years. In the government-wide financial statements the assessment revenue is recognized at the time the assessments are levied.

Lease Receivable/Deferred Inflows of Resources

The District engages in one lease agreement in which it is the lessor. The District recognizes a lease receivable and a deferred inflow of resources to account for a cell tower lease. At the commencement of the lease, the District initially measured the lease receivable and the deferred inflow of resources at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. Key estimates related to the lease include the discount rate used to discount the expected lease payments to present value, the lease term and the lease receipts. The District estimated the incremental borrowing rate as the discount rate. The District monitors changes in circumstances that would require remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Capital Assets and Depreciation

Property, plant and equipment purchased or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at fair market value as of the date received.

Capital assets are defined as assets with a useful life of greater than one year and an acquisition cost of more than \$2,500 for equipment and \$25,000 for infrastructure. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Infrastructure, such as canals, bridges, culverts and drainage systems, are capitalized along with other general capital assets at historical costs.

Depreciation of most capital assets is computed by the straight-line method. Estimated useful lives range from 5 to 50 years. The District does not depreciate land, canals, or easements because these assets are considered to be inexhaustible.

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond issuance costs are expensed when incurred.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-Term Obligations (Continued)

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as an other financing source. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position

Net position equals the difference between assets and deferred outflow of resources and liabilities. In the government-wide financial statements, net position is categorized in one of three categories as either invested in capital assets, restricted, or unrestricted. Net investment in capital assets is equal to capital assets less accumulated depreciation and related debt. Net position is reported as restricted when there are legal limitations imposed on their use by District legislation or external restrictions by other governments, creditors, or grantors.

Fund Equity

Governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Amounts that are restricted to specific purposes either by: a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation, are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the Board of Supervisors through a resolution are classified as committed fund balances. Amounts that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. Assignments are made by District's management based on the Board of Supervisors direction. Nonspendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes. It is the District's policy to expend restricted funds first when both restricted and unrestricted fund balance is available unless there are legal agreements that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District would first use committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee Benefits

The District's policy is to permit employees to accumulate up to 120 hours vacation and up to 480 hours sick leave. The cost of earned but unused vacation leave is accrued as a liability in the period in which the leave is earned. A liability for earned but unused sick leave is accrued to the extent that it is probable, based on the District's experience that the leave will result in cash payments at termination.

Risk Management

The District is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omission; injuries to employees, and natural disasters. The District purchases commercial insurance for claims for all material risks of loss to which the District is exposed, including general liability, property, and workers' compensation insurance. The District is also covered by Florida Statutes under the doctrine of sovereign immunity, which effectively limits the amount of liability of the District to individual claims of \$200,000/\$300,000 for all claims relating to the same incident. There were no changes in insurance coverage from the prior year and there were no settlements that exceeded insurance coverage.

Use of Estimates

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

New Accounting Standards Adopted

During fiscal year 2022, the District adopted one new accounting standards as follows: GASB Statement No. 87 - Leases

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement 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 the 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 this Statement, 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, thereby enhancing the relevance and consistency of information about governments' leasing activities.

NOTE 2. CASH AND INVESTMENTS

Cash

At September 30, 2022, the carrying amount of cash on hand and on deposit with banks, including interest-bearing accounts, was \$160,247. All of the District's bank deposits including money market accounts and certificates of deposit are held in qualified public depositories pursuant to State of Florida Statutes, Chapter 280, "Florida Security for Public Deposits Act." (the "QPD"). Under the Act, every qualified public depository shall deposit with the Chief Financial Officer eligible collateral of the depository to be held subject to his order. The Chief Financial Officer by rule has established minimum required collateral pledging levels ranging from 25% to 125% of the average monthly balance of public deposits, depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default. At year end, the full amount of the District's monetary assets were covered by federal depository insurance or by the QPD program.

Investments

At September 30, 2022, the District's investments were held as follows:

	Amortized Cost	Credit Risk	Maturity
Money Market Funds	\$ 1,518,420	S&P: A-2	Less than 7 days
Certificates of Deposit	2,682,341	S&P: A-2	62
Total	\$ 4,200,761		

Money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less and are held by governments other than external investment pools should be measured at amortized cost. Accordingly, the District's investments reported above are at amortized cost.

Credit risk – For investments, credit risk is generally the risk that an issuer of the investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investment ratings by investment type are included in the preceding summary of investments. The District minimizes the credit risk of its portfolio by only investing with financial institutions who participate in the QPD program

NOTE 2. CASH AND INVESTMENTS (Continued)

Concentration risk – The District places no limit on the amount it may invest in any one issuer. The District minimizes the concentration risk of its portfolio by only investing with financial institutions who participate in the QPD program

Interest rate risk – The District has no formal policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. The District attempts to minimize this risk in its portfolio by investing primarily in money market funds and short term certificates of deposits.

NOTE 3. LEASE RECEIVABLE

Effective October 1, 2021, the District adopted the provisions of GASB No. 87, *Leases*, which required the District to recognize a lease receivable and a deferred inflow of resources. The District, as lessor, leased land and all access and utility easements for a communication tower. The lease term under the agreements was for a period of 300 months with 119 months remaining. In addition, the lease has extension and/or termination options, for which the District has made determinations as to if those options are reasonably certain to be exercised, and those determinations are reflected in the calculation presented, in accordance with GASB No. 87.

During the fiscal year ended September 30, 2022, the District recognized the following related to this lease agreement:

	Future Minimum Rent
Lease Revenue	\$ 25,597
Less: Interest Income	10,904
Principal Reduction	\$ 14,693

Future principal and interest payment requirements related to the District's lease receivables at September 30, 2022 are as follows:

	Principal	Interest	Future Minimum Rent
2023	\$ 26,495	\$ 10,006	\$ 36,501
2024	27,425	9,076	36,501
2025	28,388	8,113	36,501
2026	29,838	7,119	36,957
2027	35,993	5,983	41,976
2028-2031	153,561	10,845	164,406
Total	\$ 301,700	\$ 51,142	\$ 352,842

NOTE 4. INTERFUND TRANSFERS

Transfers of resources from a fund receiving revenue to the fund through which the resources will be expended are recorded as transfers and are reported as other financing sources (uses) in the governmental funds and transfers (to) from other funds in the internal service fund. Transfers were made to fund Capital Projects and the Road Improvement Renewal and Replacement funds.

During the year ended September 30, 2022, the District had the following transfers between funds:

	Transfers In	Transfers Out
Major fund:		
Road Improvement Funds	\$ 299,400	\$ -
Water Control Westside	-	56,100
Nonmajor fund:		
Engineering Initiatives		30,740
Jupiter Farms Capital Projects	-	80,000
JF LRPI Improvements DEP Grant	130,740	
PBCE Water Control Projects	-	63,300
Proprietary Fund	-	200,000
Totals	\$ 430,140	\$ 430,140

NOTE 5. CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended September 30, 2022, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 388,536	\$ -	\$ -	\$ 388,536
Canal & Dikes	6,835,046	-	-	6,835,046
Construction In Progress	431,935	353,773	(379,070)	406,638
Total Capital Assets Not Being Depreciated	7,655,517	353,773	(379,070)	7,630,220
Capital Assets Being Depreciated:				
Buildings	188,153	379,070	-	567,223
Improvements & Infrastructure:	13,059,733	524,825	-	13,584,558
Machinery And Equipment	2,244,009	308,602	(212,918)	2,339,693
Total Capital Assets Being Depreciated	15,491,895	1,212,497	(212,918)	16,491,474
Accumulated Depreciation:				
Buildings	178,749	4,704	-	183,453
Improvements & Infrastructure:	5,346,799	566,919	-	5,913,718
Equipment	1,361,759	162,865	(212,918)	1,311,706
Total Accumulated Depreciation	6,887,307	734,488	(212,918)	7,408,877
Net Capital Assets Being Depreciated	8,604,588	478,009	-	9,082,597
Total Capital Assets, Net	\$ 16,260,105	\$ 831,782	\$ (379,070)	\$ 16,712,817

Depreciation was charged to functions as follows:

Water Control	\$ 91,350
Road Maintenance	622,452
Park Maintenance	20,686
Total depreciation expense	\$ 734,488

NOTE 6. LONG-TERM OBLIGATION

Changes in long-term obligations for the year ended September 30, 2022, are summarized below:

	Beginning Balance	Additions	Reductions	Ending Balance
Special Assessment Bonds	\$ 9,345,000	\$ -	\$ 825,000	\$ 8,520,000
Special Assessment Notes	4,406,359	-	820,082	3,586,277
Long-term liabilities	\$ 13,751,359	\$ -	\$ 1,645,082	\$ 12,106,277

The bonds and notes are limited obligations of the District and are collateralized solely by special assessments levied upon the lands benefited.

Special Assessment Bond

\$13,775,000 2015 Special Assessment Revenue Improvement Bonds (Palm Beach Country Estates Water Distribution System) due in an annual installments ranging from \$805,000 to \$1,055,000 through August 1, 2031 with interest 2.75% payable semi-annually on February 1st and August 1st of each year. \$ 8,520,000

Notes Payable

Terms of the District's Improvement Notes require the District to levy annual assessments on the benefitted property sufficient to pay the debt service on the notes. The notes are secured by and payable solely from these annual assessments.

\$3,200,000 2007 OGEM Road Improvement Note due in annual installments of \$179,533 to \$229,393 through August 1, 2027, with interest at 4.16% payable semi-annually on February 1st and August 1st of each year. \$ 1,058,495

\$2,330,000 2009 PBCE Hookup Financing Note due in annual installments of \$181,000 to \$196,000 through August 1, 2023 with interest at at 4.17% per annum is payable semi-annually on February 1st and August 1st of each year. A final installment of \$198,442 plus interest at 4.17% per annum is due on July 20, 2024. 394,442

NOTE 6. LONG-TERM OBLIGATION (Continued)

\$1,875,000 2011 Road Improvement Note due in annual installments of \$133,390 to \$162,880 through August 1, 2026, with interest at 4.07% payable semi-annually on February 1st and August 1st of each year. 614,170

\$680,000, 2013 Road Improvement Note due in annual installments of \$59,400 to \$68,830 through October 1, 2026, payable semi-annually on April 1st and October 1st of each year. Interest is accrued at 3.75% per annum 199,100

\$1,500,000, 2016 Road Improvement Note due in annual installments of \$146,990 to \$172,490 through August 1, 2026, payable semi-annually on February 1st and August 1st of each year. Interest is accrued at 3.25% per annum 658,050

\$1,008,000, 2018 Road Improvement Note due in annual installments of \$88,480 to \$124,100 through August 1, 2028, payable semi-annually on February 1st and August 1st of each year. Interest is accrued at 4.95% per annum 662,020

Total Long-Term Notes 3,586,277

Total Long-Term Obligations \$ 12,106,277

Reported in the statement of net assets as:

Total long-term obligations \$ 12,106,277

Less current portion (1,698,339)

Noncurrent portion \$ 10,407,938

NOTE 6. LONG-TERM OBLIGATION (Continued)

Changes in long-term obligations for the year ended September 30, 2022, are summarized below:

	2015 PBCE Water Distribution System Bonds	2007 OGEM Road Resurfacing Notes	2009 PBCE Hookup Financing Program
Long-term obligations October 1, 2021	\$ 9,345,000	\$ 1,245,497	\$ 582,442
Bonds/notes issued	-	-	-
Bonds/notes retired	(825,000)	(187,002)	(188,000)
Long-term obligations, September 30, 2022	\$ 8,520,000	\$ 1,058,495	\$ 394,442

Debt service requirements to maturity are as follows:

	2015 PBCE Water Distribution System Bonds	2007 OGEM Road Resurfacing Notes	2009 PBCE Hookup Financing Program
2023	\$ 1,079,300	\$ 238,814	\$ 212,677
2024	1,081,063	238,815	206,648
2025	1,082,138	238,815	-
2026	1,082,525	238,814	-
2027	1,082,225	238,934	-
2028-2031	4,327,014	-	-
Totals	9,734,265	1,194,192	419,325
Less amount representing interest	1,214,265	135,697	24,883
Totals	\$ 8,520,000	\$ 1,058,495	\$ 394,442

NOTE 6. LONG-TERM OBLIGATION (Continued)

Changes in long-term obligations for the year ended September 30, 2022, are summarized below:

	2011 Road Improvement	2013 Road Improvement	2016 Road Improvement
Long-term obligations October 1, 2021	\$ 752,990	\$ 260,730	\$ 809,820
Bonds/notes issued	-	-	-
Bonds/notes retired	(138,820)	(61,630)	(151,770)
Long-term obligations, September 30, 2022	\$ 614,170	\$ 199,100	\$ 658,050

Debt service requirements to maturity are as follows:

	2011 Road Improvement	2013 Road Improvement	2016 Road Improvement
2023	\$ 169,467	\$ 72,015	\$ 178,384
2024	169,467	71,827	178,365
2025	169,468	71,621	178,249
2026	169,509	-	178,174
2027	-	-	-
2028-2031	-	-	-
Totals	677,911	215,463	713,172
Less amount representing interest	63,741	16,363	55,122
Totals	\$ 614,170	\$ 199,100	\$ 658,050

NOTE 6. LONG-TERM OBLIGATION (Continued)

2018 Road Improvement	Total Notes and Bonds Payable	Amount Representing Principal
\$ 754,880	\$ 13,751,359	\$ 13,751,359
-	-	-
(92,860)	(1,645,082)	(1,645,082)
\$ 662,020	\$ 12,106,277	\$ 12,106,277

2018 Road Improvement	Total Notes and Bonds Payable	Amount Representing Interest	Amount Representing Principal
\$ 130,675	\$ 2,081,332	\$ 382,991	\$ 1,698,341
130,682	2,076,867	324,791	1,752,076
130,532	1,870,823	264,809	1,606,014
130,465	1,799,487	211,352	1,588,135
130,381	1,451,540	158,929	1,292,611
130,345	4,457,359	288,259	4,169,100
783,080	13,737,408	1,631,131	12,106,277
121,060	1,631,131	(1,631,131)	-
\$ 662,020	\$ 12,106,277	-	\$ 12,106,277

NOTE 6. LONG-TERM OBLIGATION (Continued)

Capital Financing

In January 2021, the District entered into a financing agreement to purchase equipment. The agreement does not meet the criteria to be recognized under GASB 87, *Leases*, for accounting purposes, and therefore is treated as a capital financing activity. Therefore, the asset was recorded at present value of the future minimum payments as of the inception date.

	Internal Service Fund
Asset:	
Machinery & Equipment	\$ 205,181
<u>Less: Accumulated Depreciation</u>	<u>(51,295)</u>
<u>Total</u>	<u>\$ 153,886</u>

At September 30, 2022, the future minimum payments under the financing agreement are as follows:

Year ending September 30:	Internal Service Fund
2023	\$ 55,025
2024	55,024
Total minimum payments	110,049
<u>Less Amount representing interest</u>	<u>4,430</u>
<u>Total</u>	<u>\$ 105,619</u>

NOTE 7. RETIREMENT PLANS

Defined Contribution Plan

The District participates in a defined contribution pension plan established to provide benefits at retirement to eligible employees hired after January 1, 1996. At September 30, 2021, there were 19 plan members. The District's total payroll for all employees was \$923,948 and those covered by the plan was \$895,996. The District is required to contribute 10% of the annual covered payroll. Plan members are not required to contribute. Plan provisions and contribution requirements are established and may be amended by the District's Board of Supervisors.

NOTE 8. COMMITMENTS

Intergovernmental Arrangements

In June 2005, the District entered into an agreement with the Town of Jupiter (the "Town") to provide water service to a portion of land within the District, (Palm Beach Country Estates Community located within the Unit of Development RI-13 Project Area). Under this agreement the District financed and constructed the water service system and turned it over to the Town for operation and maintenance.

Also as part of the agreement as modified in an extension the Town initiated a program for landowners to facilitate the financing of hookups similar to the Hookup Financing program. The District agreed to collect the assessments from the affected landowners and turn the net proceeds over to the Town. The District assumes no liability for this service.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Budgetary Comparison Schedule

Water Control Eastside - Special Revenue Fund

Year Ended September 30, 2022

	Budget Original	Budget Final	Actual Amounts	Variance From Final Budget Positive/ Negative
Revenues:				
Assessments	\$ 518,400	\$ 518,400	\$ 532,021	\$ 13,621
Charges for services	18,625	18,625	10,879	(7,746)
Investment income	-	-	656	656
Total revenues	537,025	537,025	543,556	6,531
Expenditures:				
Current:				
Physical environment	506,017	506,017	505,714	303
Total expenditures	506,017	506,017	505,714	303
Excess (deficiency) of revenues over (under) expenditures	31,008	31,008	37,842	6,834
Fund balances, beginning of year	429,458	429,458	429,458	-
Fund balances, end of year	\$ 460,466	\$ 460,466	\$ 467,300	\$ 6,834

See accompanying notes to financial statements.

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Budgetary Comparison Schedule

Water Control Westside - Special Revenue Fund

Year Ended September 30, 2022

	Budget Original	Budget Final	Actual Amounts	Variance From Final Budget Positive/ Negative
Revenues:				
Assessments	\$ 1,473,600	\$ 1,473,600	\$ 1,516,454	\$ 42,854
Charges for services	55,875	55,875	39,841	(16,034)
Investment income	80	200	2,440	2,240
Miscellaneous	-	-	-	-
Total revenues	1,529,555	1,529,675	1,558,735	29,060
Expenditures:				
Current:				
Physical environment	1,490,093	1,490,093	1,482,406	7,687
Total expenditures	1,490,093	1,490,093	1,482,406	7,687
Excess (deficiency) of revenues over (under) expenditures	39,462	39,582	76,329	36,747
Other financing uses:				
Transfers out	(36,100)	(56,100)	(56,100)	-
Total other financing uses	(36,100)	(56,100)	(56,100)	-
Net change in fund balance	3,362	(16,518)	20,229	36,747
Fund balances, beginning of year	674,767	674,767	674,767	-
Fund balances, end of year	\$ 678,129	\$ 658,249	\$ 694,996	\$ 36,747

See accompanying notes to financial statements.

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Budgetary Comparison Schedule

Road Maintenance- PBCE - Special Revenue Fund

Year Ended September 30, 2022

	Budget Original	Budget Final	Actual Amounts	Variance From Final Budget Positive/ Negative
Revenues:				
Assessments	\$ 160,800	\$ 160,800	\$ 162,027	\$ 1,227
Charges for services	18,625	18,625	10,880	(7,745)
Investment income	80	80	158	78
Total revenues	179,505	179,505	173,065	(6,440)
Expenditures:				
Current:				
Transportation	313,756	313,756	245,926	67,830
Total expenditures	313,756	313,756	245,926	67,830
Excess (deficiency) of revenues over (under) expenditures	(134,251)	(134,251)	(72,861)	61,390
Fund balances, beginning of year	211,411	211,411	211,411	-
Fund balances, end of year	\$ 77,160	\$ 77,160	\$ 138,550	\$ 61,390

See accompanying notes to financial statements.

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Budgetary Comparison Schedule

Road Maintenance- Jupiter Farms - Special Revenue Fund

Year Ended September 30, 2022

	Budget Original	Budget Final	Actual Amounts	Variance From Final Budget Positive/ Negative
Revenues:				
Assessments	\$ 844,800	\$ 844,800	\$ 850,207	\$ 5,407
Charges for services	55,875	55,875	39,842	(16,033)
Investment income	220	220	808	588
Total revenues	900,895	900,895	890,857	(10,038)
Expenditures:				
Current:				
Transportation	888,884	888,884	801,092	87,792
Total expenditures	888,884	888,884	801,092	87,792
Excess (deficiency) of revenues over (under) expenditures	12,011	12,011	89,765	77,754
Fund balances, beginning of year	(74,586)	(74,586)	(74,586)	-
Fund balances, end of year	\$ (62,575)	\$ (62,575)	\$ 15,179	\$ 77,754

See accompanying notes to financial statements.

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**COMBINING FINANCIAL
STATEMENTS**

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SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Combining Balance Sheet
 Other Governmental Funds
 September 30, 2022

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total
Assets:				
Cash and short-term investments	\$ 181,677	\$ 309,459	\$ 190,689	\$ 681,825
Receivables:				
Special assessments	-	2,527,782	-	2,527,782
Due from other governments	128	10,053	66,615	76,796
Total assets	\$ 181,805	\$ 2,847,294	\$ 257,304	\$ 3,286,403
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued expenses	\$ 18,764	\$ 2,524	\$ 1,335	\$ 22,623
Total liabilities	18,764	2,524	1,335	22,623
Deferred inflows of resources:				
Unavailable revenue-special assessments	-	2,527,782	-	2,527,782
Total deferred inflows of resources	-	2,527,782	-	2,527,782
Fund balances:				
Restricted for:				
Debt service	-	316,988	-	316,988
Assigned for:				
Subsequent years operations	163,041	-	-	163,041
Subsequent year's capital expenditures			255,969	255,969
Total fund balances	163,041	316,988	255,969	735,998
Total liabilities, deferred inflows of resources, and fund balances	\$ 181,805	\$ 2,847,294	\$ 257,304	\$ 3,286,403

See accompanying notes to financial statements.

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Combining Balance Sheet

Nonmajor Special Revenue Funds

September 30, 2022

	PBCE Park Maintenance	Egret Landing Maintenance	Jupiter Commerce Park Maintenance
Assets:			
Cash and short-term investments	\$ 93,062	\$ 36,404	\$ 52,211
Receivables:			
Special assessments	-	-	-
Due from other governments	128	-	-
Total assets	\$ 93,190	\$ 36,404	\$ 52,211
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued expenses	\$ 63	\$ 18,701	\$ -
Total liabilities	63	18,701	-
Fund balances:			
Assigned for:			
Subsequent years operations	93,127	17,703	52,211
Total fund balances	93,127	17,703	52,211
Total liabilities, deferred inflows of resources, and fund balances	\$ 93,190	\$ 36,404	\$ 52,211

See accompanying notes to financial statements.

**Total
Nonmajor
Special
Revenue
Funds**

\$ 181,677

128

\$ 181,805

\$ 18,764

18,764

163,041

163,041

\$ 181,805

See accompanying notes to financial statements.

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Combining Balance Sheet

Nonmajor Debt Service Funds

September 30, 2022

	2009 PBCE Hookup Financing Note	2011 Road Improvement Note	2013 Road Improvement Note
Assets:			
Cash and short-term investments	\$ 133,804	\$ 76,084	\$ 36,778
Receivables:			
Special assessments	394,442	614,170	199,100
Due from other governments	6,684	1,274	1,166
Total assets	\$ 534,930	\$ 691,528	\$ 237,044
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued expenses	\$ 855	\$ 499	\$ 228
Total liabilities	855	499	228
Deferred inflows of resources:			
Unavailable revenue-special assessments	394,442	614,170	199,100
Total deferred inflows of resources	394,442	614,170	199,100
Fund balances:			
Restricted for:			
Debt service	139,633	76,859	37,716
Total fund balances	139,633	76,859	37,716
Total liabilities, deferred inflows of resources, and fund balances	\$ 534,930	\$ 691,528	\$ 237,044

See accompanying notes to financial statements.

2016 Road Improvement Note	2018 Road Improvement Note	Total Nonmajor Debt Service Funds
\$ 44,326	\$ 18,467	\$ 309,459
658,050	662,020	2,527,782
435	494	10,053
\$ 702,811	\$ 680,981	\$ 2,847,294
\$ 536	\$ 406	\$ 2,524
536	406	2,524
658,050	662,020	2,527,782
658,050	662,020	2,527,782
44,225	18,555	316,988
44,225	18,555	316,988
\$ 702,811	\$ 680,981	\$ 2,847,294

See accompanying notes to financial statements.

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Combining Balance Sheet

Nonmajor Capital Projects Funds

September 30, 2022

	Jupiter Farms Capital Projects	PBCE Water Control Projects	Total Nonmajor Capital Projects Funds
Assets:			
Cash and short-term investments	\$ 7,231	\$ 183,458	\$ 190,689
Due from other governments	65,836	779	66,615
Total assets	\$ 73,067	\$ 184,237	\$ 257,304
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued expenses	\$ 1,235	\$ 100	\$ 1,335
Total liabilities	1,235	100	1,335
Fund balances:			
Subsequent year's capital expenditures	71,832	184,137	255,969
Total fund balances	71,832	184,137	255,969
Total liabilities, deferred inflows of resources, and fund balances	\$ 73,067	\$ 184,237	\$ 257,304

See accompanying notes to financial statements.

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SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -

Other Governmental Funds

Year Ended September 30, 2022

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total
Revenues:				
Assessments	\$ 22,347	\$ 855,561	\$ 353,699	\$ 1,231,607
Intergovernmental	-	-	64,800	64,800
Investment income	14	478	389	881
Total revenues	22,361	856,039	418,888	1,297,288
Expenditures:				
Current:				
Physical environment	-	-	1,448	1,448
Recreation	20,379	-	-	20,379
Capital outlay	-	-	470,042	470,042
Debt service:				
Principal retirement	-	633,080	-	633,080
Interest and fiscal charges	-	129,308	-	129,308
Other debt service	-	92,628	-	92,628
Total expenditures	20,379	855,016	471,490	1,346,885
Excess (deficiency) of revenues over (under) expenditures	1,982	1,023	(52,602)	(49,597)
Other financing sources (uses):				
Transfers in	-	-	130,740	130,740
Transfers out	-	-	(174,040)	(174,040)
Total other financing sources (uses)	-	-	(43,300)	(43,300)
Net change in fund balance	1,982	1,023	(95,902)	(92,897)
Fund balances, beginning of year	161,059	315,965	351,871	828,895
Fund balances, end of year	\$ 163,041	\$ 316,988	\$ 255,969	\$ 735,998

See accompanying notes to financial statements.

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

*Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Special Revenue Funds
Year Ended September 30, 2022*

	PBCE Park Maintenance	Egret Landing Maintenance	Jupiter Commerce Park Maintenance
Revenues:			
Assessments	\$ 22,347	\$ -	\$ -
Investment income	14	-	-
Total revenue	22,361	-	-
Expenditures:			
Current:			
Physical environment	-	-	-
Recreation	20,379	-	-
Total expenditures	20,379	-	-
Excess (deficiency) of revenues over (under) expenditures	1,982	-	-
Fund balances, beginning of year	91,145	17,703	52,211
Fund balances, end of year	\$ 93,127	\$ 17,703	\$ 52,211

See accompanying notes to financial statements.

**Total
Nonmajor
Special
Revenue
Funds**

\$ 22,347
14

22,361

-
20,379

20,379

1,982

161,059

\$ 163,041

See accompanying notes to financial statements.

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Debt Service Funds
Year Ended September 30, 2022

	2009 PBCE Hookup Financing Note	2011 Road Improvement Note	2013 Road Improvement Note
Revenues:			
Assessments	\$ 290,780	\$ 170,199	\$ 76,144
Investment income	176	68	141
Total revenues	290,956	170,267	76,285
Expenditures:			
Debt service:			
Principal retirement	188,000	138,820	61,630
Interest and fiscal charges	24,520	30,586	9,759
Other debt service	87,344	1,585	718
Total expenditures	299,864	170,991	72,107
Excess (deficiency) of revenues over (under) expenditures	(8,908)	(724)	4,178
Fund balances, beginning of year	148,541	77,583	33,538
Fund balances, end of year	\$ 139,633	\$ 76,859	\$ 37,716

See accompanying notes to financial statements.

2016 Road Improvement Note	2018 Road Improvement Note	Total Nonmajor Debt Service Funds
\$ 181,914	\$ 136,524	\$ 855,561
1	92	478
181,915	136,616	856,039
151,770	92,860	633,080
26,618	37,825	129,308
1,698	1,283	92,628
180,086	131,968	855,016
1,829	4,648	1,023
42,396	13,907	315,965
\$ 44,225	\$ 18,555	\$ 316,988

See accompanying notes to financial statements.

SOUTH INDIAN RIVER WATER CONTROL DISTRICT

*Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Capital Projects Funds
Year Ended September 30, 2022*

	Jupiter Farms Capital Projects	PBCE Water Control Projects	Total Nonmajor Capital Projects
Revenues:			
Assessments	\$ 245,056	\$ 108,643	\$ 353,699
Intergovernmental	64,800	-	64,800
Investment income	328	61	389
Total revenues	310,184	108,704	418,888
Expenditures:			
Current:			
Physical environment	1,003	445	1,448
Transportation	-	-	-
Recreation	-	-	-
Capital outlay	329,715	140,327	470,042
Total expenditures	330,718	140,772	471,490
Excess (deficiency) of revenues over (under) expenditures	(20,534)	(32,068)	(52,602)
Other financing sources (uses):			
Transfers in	130,740	-	130,740
Transfers out	(110,740)	(63,300)	(174,040)
Total other financing sources (uses)	20,000	(63,300)	(43,300)
Net change in fund balance	(534)	(95,368)	(95,902)
Fund balances, beginning of year	72,366	279,505	351,871
Fund balances, end of year	\$ 71,832	\$ 184,137	\$ 255,969

See accompanying notes to financial statements.

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SOUTH INDIAN RIVER WATER CONTROL DISTRICT

Other Information – Data Elements Required By FI Statute 218.39(3)

Year Ended September 30, 2022

Unaudited

Number of district employees compensated at September 30,2022	15
Number of independent contractors compensated in September 2022	4
Employee compensation (paid/accrued) for FYE 9/30/2022	\$923,948
Independent contractor compensation for FYE 9/30/2022	\$714,260
Construction projects to begin on or after October 1;	
Jupiter Farms LRPI	\$353,650
Budget variance report	See pages 39 to 42
Ad Valorem taxes;	Not applicable
Non ad valorem special assessments;	
Special assessment rates FYE 9/30/2022	Operations and maintenance - \$15 to \$244
	Debt service - \$300 to \$2,815
Special assessments collected FYE 9/30/2022	\$5,516,825
Outstanding Bonds/Notes	See Note 6 for details

REQUIRED REPORTS



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

To the Board of Supervisors
South Indian River Water Control District
Jupiter, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of South Indian River Water Control District, Jupiter, Florida (the "District") as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated June 23, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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 our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Bhav & Associates

June 23, 2023

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY
RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Board of Supervisors
South Indian River Water Control District
Jupiter, Florida

We have examined South Indian River Water Control District, Jupiter, Florida's (the "District") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2022. Management is responsible for District's compliance with those requirements. Our responsibility is to express an opinion on District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced in Section 218.415, Florida Statutes. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

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

This report 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, management, and the Board of Supervisors of South Indian River Water Control District, Jupiter, Florida and is not intended to be and should not be used by anyone other than these specified parties.

Grau & Associates

June 23, 2023



**MANAGEMENT LETTER PURSUANT TO THE RULES OF
THE AUDITOR GENERAL FOR THE STATE OF FLORIDA**

To the Board of Supervisors
South Indian River Water Control District
Jupiter, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements South Indian River Water Control District, Jupiter, Florida (the "District") as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 23, 2023.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 23, 2023, should be considered in conjunction with this management letter.

Purpose of this Letter

The purpose of this letter is to comment on those matters required by Chapter 10.550 of the Rules of the Auditor General for the State of Florida. Accordingly, in connection with our audit of the financial statements of the District, as described in the first paragraph, we report the following:

- I. Current year findings and recommendations.**
- II. Status of prior year findings and recommendations.**
- III. Compliance with the Provisions of the Auditor General of the State of Florida.**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, as applicable, management, and the Board of Supervisors of South Indian River Water Control District, Jupiter, Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank South Indian River Water Control District, Jupiter, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements, and the courtesies extended to us.

Grau & Associates

June 23, 2023

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

II. PRIOR YEAR FINDINGS

2021-01 Budget:

Current Status: Recommendation has been implemented.

III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2021, except as noted above.

2. Any recommendations to improve the local governmental entity's financial management.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2022.

3. 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.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2022.

4. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.

5. The District has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.

6. We applied financial condition assessment procedures and no deteriorating financial conditions were noted. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

7. Management has provided the specific information required by Section 218.39(3)(c) in the Other Information section of the financial statements on page 55.