

GERBER GROVES WATER CONTROL DISTRICT
BASIC FINANCIAL STATEMENTS
TOGETHER WITH ADDITIONAL REPORTS
YEAR ENDED
September 30, 2023

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TUSCAN
 & Company, PA

Certified Public Accountants & Consultants

Affiliations

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

INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
 Gerber Groves Water Control District
 P.O. Box 790
 LaBelle, Florida 33975-0790

Opinions

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

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
General Fund	Unmodified

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

Basis for Opinions

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation

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and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Matters

Required Supplementary Information

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

Other Required Supplementary Information

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

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

Other Information

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

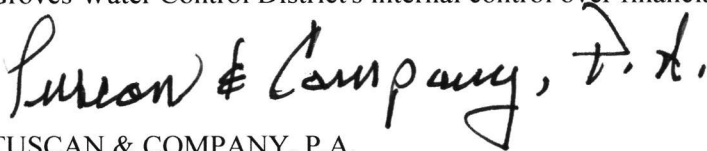
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated.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

Other Reporting Required by Section 218.415, Florida Statutes

In accordance with Section 218.415, Florida Statutes, we have also issued a report dated May 15, 2024, on our consideration of Gerber Groves Water Control District's compliance with provisions of Section 218.415, Florida Statutes. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and to provide an opinion on compliance with the aforementioned Statute. That report is an integral part of an audit performed in accordance with Sections 218.39 and 218.415, Florida Statutes in considering Gerber Groves Water Control District's compliance with Section 218.415, Florida Statutes.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 15, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contract and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Gerber Groves Water Control District's internal control over financial reporting and compliance.



TUSCAN & COMPANY, P.A.
Fort Myers, Florida
May 15, 2024

**MANAGEMENT'S DISCUSSION
AND ANALYSIS
(MD&A)**

Gerber Groves Water Control District

Management's Discussion and Analysis

This discussion and analysis of the Gerber Groves Water Control District (the "District") financial statements is designed to introduce the basic financial statements and provide an analytical overview of the District's financial activities for the fiscal year ended September 30, 2023. The basic financial statements are comprised of the government-wide financial statements, governmental fund financial statements and footnotes. We hope this will assist readers in identifying and understanding significant changes in the District's financial position.

District Highlights

At the close of fiscal year 2022:

- The District's assets exceeded its liabilities, resulting in net position (net assets) of \$1,226,467. The District's total net position decreased \$49,931, or 13 percent, in comparison to the prior year.
- The District had \$578,067 of unrestricted net position (net assets) that can be used to meet the District's ongoing obligations.
- Total revenues increased \$106,097, or 18 percent, in comparison to the prior year. This was substantially due to an increase in collection of taxes of \$60,680 due to a \$10 increase per acre maintenance assessment, increase of joint trust contributions of \$12,237, a gain of \$31,750 due to sale of capital assets and scrap metal and an increase of interest income of \$1,430 in the current year. Per acre maintenance tax increased from \$90 to \$100 per acre, consistent with the prior year.
- Total expenses decreased \$13,836, or 2 percent, in comparison to the prior year, most significantly due to a decrease in general operating expenses – field operations, in the year ended September 30, 2022.

At the close of fiscal year 2023:

- The District's assets exceeded its liabilities, resulting in net position (net assets) of \$1,210,965. The District's total net position decreased \$15,502, or 1 percent, in comparison to the prior year.
- The District had \$641,000 of unrestricted net position (net assets) that can be used to meet the District's ongoing obligations.
- Total revenues increased \$51,693, or 7 percent, in comparison to the prior year. This was substantially due to an increase in tax collection of \$44,910. Per acre maintenance tax was increased from \$100 per acre to \$110 per acre.
- Total expenses increased \$17,264, or 2 percent, in comparison to the prior year, most significantly due to an increase in water control operating and maintenance expenses in the year ended September 30, 2023.

Government-wide Financial Statements

Government-wide financial statements (Statement of Net Position and Statement of Activities found on pages 5 and 6) are intended to allow a reader to assess a government's operational accountability. Operational accountability is defined as the extent to which the government has met its operating objectives efficiently and

effectively, using all resources available for that purpose, and whether it can continue to meet its objectives for the foreseeable future. Government-wide financial statements concentrate on the District as a whole and do not emphasize fund types.

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

The Statement of Activities (Page 6) presents revenue and expense information showing how the District's net position changed during the fiscal year. Both statements are measured and reported using the economic resource measurement focus (revenues and expenses) and the accrual basis of accounting (revenue recognized when earned and expense recognized when a liability is incurred).

Governmental Fund Financial Statement

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

Governmental fund financial statements (found on pages 7 and 9) are prepared on the modified accrual basis using the current financial resources measurement focus. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available as net current assets.

Notes to the Financial Statements

The notes to the financial statements explain in detail some of the data contained in the preceding statements and begin on page 11. These notes are essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

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

The following is a condensed summary of net position for the primary government at September 30:

Assets:	<u>2023</u>	<u>2022</u>
Current and other assets	\$ 725,990	\$ 645,514
Capital Assets, Net	<u>1,371,877</u>	<u>1,487,824</u>
Total Assets	<u>2,097,867</u>	<u>2,133,338</u>
Liabilities:		
Current liabilities	126,550	107,582
Non-current liabilities	<u>760,352</u>	<u>799,289</u>
Total Liabilities	<u>886,902</u>	<u>906,871</u>
Net Position:		
Net Investment in capital assets	569,965	648,400
Restricted	-	-
Unrestricted	<u>641,000</u>	<u>578,067</u>
Total net position	<u>\$ 1,210,965</u>	<u>\$ 1,226,467</u>

For the year ended September 30, 2023, current and other assets represent 35 percent of total assets. Current assets are comprised of unrestricted cash and investments balances of \$700,584, receivables/other of \$8,717, prepaid expenses of \$7,972 and deposits of \$8,717. There was no restricted cash. The balances of unrestricted cash represent amounts that were available for spending at the District's discretion.

The net investment in capital assets represent 47 percent of net position and are comprised of land, buildings, improvements, equipment, furniture, and vehicles, net of accumulated depreciation, and the outstanding related debt used to acquire the assets. There was \$801,912 and \$839,424 outstanding debt related to capital assets at September 30, 2023 or 2022, respectively.

For the year ended September 30, 2022, current and other assets represent 30 percent of total assets. Current assets are comprised of unrestricted cash and investments balances of \$611,291, receivables/other of \$17,772, prepaid expenses of \$7,734 and deposits of \$8,717. There was no restricted cash. The balances of unrestricted cash represent amounts that were available for spending at the District's discretion.

The net investment in capital assets represent 53 percent of net position and are comprised of land, buildings, improvements, equipment, furniture, and vehicles, net of accumulated depreciation, and the outstanding related debt used to acquire the assets. There was \$839,424 and \$880,891 outstanding debt related to capital assets at September 30, 2022 or 2021, respectively.

The following schedule reports the revenues, expenses, and changes in net position for the District at September 30:

Summary of Revenues, Expenses and Changes in Net Position
Years Ended September 30

Revenues:	<u>2023</u>	<u>2022</u>
General Revenue		
Maintenance taxes	\$ 693,963	\$ 649,053
Intergovernmental	16,500	13,385
Miscellaneous		
Investment Earnings	22,985	3,017
Gain on disp. of capital assets	<u>15,450</u>	<u>31,750</u>
Total Revenues	<u>748,898</u>	<u>697,205</u>
Expenses:		
General Government	88,130	103,336
Water Control	<u>676,270</u>	<u>643,800</u>
Total Expenses	<u>764,400</u>	<u>747,136</u>
Increase (decrease) in net position	(15,502)	(49,931)
Net Position - Beginning of the Year	<u>1,226,467</u>	<u>1,276,398</u>
Net Position - End of the Year	<u>\$ 1,210,965</u>	<u>\$ 1,226,467</u>

Total revenues increased \$51,693 or 7 percent, in comparison to the prior year. Total expenses increased \$17,264, or 2 percent, in comparison to the prior year.

Budgetary Highlights

Budget versus actual comparisons are reported in the Required Supplementary Information Other Than Management Discussion and Analysis section. The District's total actual expenditures for the year were within budget.

There were two amendments to the original budget during the year to adjust the carryforward amount to the prior year audited balance and to increase budgeted revenue and expenditures by \$49,251 net.

There were no significant budget variances during the year ended September 30, 2023 and no use of budgeted reserves except for the \$15,450 received from the sale of a capital asset and scrap metal.

Capital Assets

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

The following is a schedule of the District's capital assets at September 30:

	Capital Assets	
	September 30	
	2023	2022
Capital Assets		
Land	\$ 400,880	\$ 400,880
Construction in progress	-	-
Total Capital Assets not depreciated	<u>400,880</u>	<u>400,880</u>
Buildings	37,450	37,450
Machinery & equipment	<u>2,142,868</u>	<u>2,163,868</u>
Total Capital Assets being depreciated	<u>2,180,318</u>	<u>2,201,318</u>
Accumulated Depreciation		
Buildings	(27,550)	(26,950)
Machinery & equipment	<u>(1,181,771)</u>	<u>(1,087,424)</u>
Total accumulated depreciation	<u>(1,209,321)</u>	<u>(1,114,374)</u>
Capital Assets, Net	<u>\$ 1,371,877</u>	<u>\$ 1,487,824</u>

During the year ended September 30, 2012, the District purchased a 2012 Dodge pickup truck for \$24,000. During the year ended September 30, 2013, the District purchased culverts and built 2 canal structures for \$99,498. During the year ended September 30, 2014, the District purchased no capital assets. During the year ended September 30, 2015, the District expended \$246,818 to replace two (2) irrigation pumps. During the year ended September 30, 2016, the District expended \$425,118 to replace fuel tanks and to start a \$1,500,000 pump station replacement. During the year ended September 30, 2017, the District continued to complete the pump station replacement and expended \$648,120. During the year ended September 30, 2018, the District purchased a pickup truck for \$23,222. During the year ended September 30, 2019, the District bought a new pump for \$41,208 and received a donated pick-up truck valued at \$5,000. During the year ended September 30, 2020, the District made pump station improvements for \$66,403. During the year ended September 30, 2021, the District purchased no capital assets. During the years ended September 30, 2023 and 2022, the District purchased no capital assets.

Debt Administration

The District, during the year ended September 30, 2016, acquired a \$1,500,000 note payable to fund the cost of the pump station replacement. At September 30, 2023 and 2022, the District had drawn a total of \$1,058,014 and \$1,058,014, respectively. At September 30, 2023 and 2022, the District had a note payable balance of \$801,912 and \$839,424 after a principal payment of \$37,512 and \$41,467, respectively.

During the years ended September 30, 2023 and 2022, the District did not record an accrued compensated absence payable for vacation time earned but not paid, as the amounts were \$0 or considered immaterial.

Economic Factors and Next Year's Budget Rates

The following were factors considered when next year's budget (2023-2024) was prepared:

- Maintenance assessments were set at \$120 and \$110 per acre for fiscal years ended September 30, 2024 and 2023, respectively. The Tax Rates for fiscal year 2022 was \$100 per acres, 2021 was \$90 per acre, 2020 and 2019 were \$100 per acre.
- No significant changes in administration or operating costs are projected. All maintenance costs will be contracted out in the future except the District budgeted for one employee.
- Principal and interest payments of \$70,000 are projected for fiscal year ending September 30, 2024. The first principal payment on the loan was due and was paid on March 1, 2019.

Request for information

This financial report is designed to provide the reader an overview of the District. Questions regarding any information provided in this report should be directed to:

Labelle CPAs
P.O. Box 1466
Labelle, Florida 33975
(863)675-3903 Fax (863)675-7767

GERBER GROVES WATER CONTROL DISTRICT
STATEMENT OF NET POSITION
September 30, 2023

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents - unrestricted	\$ 537,831
Investments - certificates of deposit	162,753
Accounts receivable	4,639
Due from other governments	4,078
Prepaid insurance	7,972
Deposits	<u>8,717</u>
Total current assets	<u>725,990</u>
Non-current assets:	
Capital assets:	
Non-depreciable land	400,880
Depreciable buildings, equipment and machinery (net of \$1,209,321 accumulated depreciation)	<u>970,997</u>
Total non-current assets	<u>1,371,877</u>
 TOTAL ASSETS	 <u>2,097,867</u>
 LIABILITIES	
Current liabilities:	
Accounts payable	62,954
Accrued expenses	19,347
Due to other governments	2,689
Note payable - current portion	<u>41,560</u>
Total current liabilities	126,550
Non-current liabilities:	
Accrued compensated absences	-
Note payable, net of current portion	<u>760,352</u>
 TOTAL LIABILITIES	 <u>886,902</u>
 NET POSITION	
Net investment in capital assets	569,965
Unrestricted	<u>641,000</u>
 TOTAL NET POSITION	 <u>\$ 1,210,965</u>

The accompanying notes are an integral part of this statement.

GERBER GROVES WATER CONTROL DISTRICT
STATEMENT OF ACTIVITIES
Year Ended September 30, 2023

	<u>Total Governmental Activities</u>
EXPENSES	
Governmental Activities	
General Government	
Administration	
Operating expenses	\$ 88,130
Total General Government	<u>88,130</u>
Water Control	
Personnel services	79,497
Operating expenses	449,209
Depreciation	115,947
Interest and fiscal charges	<u>31,617</u>
Total Water Control	<u>676,270</u>
Total Governmental Activities	<u>764,400</u>
 GENERAL REVENUES	
Maintenance taxes	693,963
Joint trust contributions	16,500
Interest income	22,985
Gain on disposition of capital assets	<u>15,450</u>
TOTAL GENERAL REVENUES	<u>748,898</u>
 DECREASE IN NET POSITION	 (15,502)
 NET POSITION - Beginning of the year	 <u>1,226,467</u>
 NET POSITION - End of the year	 <u>\$ 1,210,965</u>

The accompanying notes are an integral part of this statement.

**GERBER GROVES WATER CONTROL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUND
September 30, 2023**

	General Fund	Total Governmental Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ 537,831	\$ 537,831
Investments	162,753	162,753
Accounts receivable	4,639	4,639
Due from other governments	4,078	4,078
Prepaid insurance	7,972	7,972
Deposits	<u>8,717</u>	<u>8,717</u>
TOTAL ASSETS	<u>\$ 725,990</u>	<u>\$ 725,990</u>
 LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	\$ 62,954	\$ 62,954
Accrued expenses	19,347	19,347
Due to other governments	<u>2,689</u>	<u>2,689</u>
TOTAL LIABILITIES	<u>84,990</u>	<u>84,990</u>
 FUND BALANCE		
Nonspendable	16,689	16,689
Assigned	200,000	200,000
Unassigned	<u>424,311</u>	<u>424,311</u>
TOTAL FUND BALANCE	<u>641,000</u>	<u>641,000</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 725,990</u>	<u>\$ 725,990</u>

The accompanying notes are an integral part of this statement.

**GERBER GROVES WATER CONTROL DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL
FUND TO THE STATEMENT OF NET POSITION
September 30, 2023**

	<u>Amount</u>
Total fund balance for governmental fund	\$ 641,000
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>	
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund</p>	
<p>Capital assets not being depreciated:</p>	
Land	<u>400,880</u>
	<u>400,880</u>
<p>Capital assets being depreciated:</p>	
Building, equipment and machinery	2,180,318
Less accumulated depreciation	<u>(1,209,321)</u>
	<u>970,997</u>
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental fund:</p>	
Compensated absences	-
Note payable	<u>(801,912)</u>
	<u>(801,912)</u>
Total net position of governmental activities	<u><u>\$ 1,210,965</u></u>

The accompanying notes are an integral part of this statement.

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

	General Fund	Total Governmental Funds
	<u> </u>	<u> </u>
REVENUES		
Maintenance taxes	\$ 693,963	\$ 693,963
Joint trust contributions	16,500	16,500
Interest income	<u>22,985</u>	<u>22,985</u>
TOTAL REVENUES	<u>733,448</u>	<u>733,448</u>
EXPENDITURES		
Current		
General government		
Administration		
Operating expenditures	<u>88,130</u>	<u>88,130</u>
	88,130	88,130
Physical environment		
Field operations		
Personnel services	79,497	79,497
Operating expenditures	<u>449,209</u>	<u>449,209</u>
	528,706	528,706
Capital outlay	-	-
Debt service		
Principal reduction	37,512	37,512
Interest and fiscal charges	<u>31,617</u>	<u>31,617</u>
TOTAL EXPENDITURES	<u>685,965</u>	<u>685,965</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	47,483	47,483
OTHER FINANCING SOURCES		
Proceeds from disposition of capital assets	<u>15,450</u>	<u>15,450</u>
TOTAL OTHER FINANCING SOURCES	<u>15,450</u>	<u>15,450</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	62,933	62,933
FUND BALANCE - BEGINNING	<u>578,067</u>	<u>578,067</u>
FUND BALANCE - ENDING	<u>\$ 641,000</u>	<u>\$ 641,000</u>

The accompanying notes are an integral part of this statement.

**GERBER GROVES WATER CONTROL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUND TO THE STATEMENT
OF ACTIVITIES**

Year Ended September 30, 2023

	<u>Amount</u>
Net change in fund balance (excess of revenues and other funding sources) over (under) expenditures - total governmental fund	\$ 62,933

The decrease (excess of expenses over revenues) in net position reported for governmental activities in the Statement of Activities is different because:

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

Less: proceeds from disposition of capital assets	(15,450)	
Plus: expenditures for capital assets	-	
Plus: gain on disposition of capital assets	15,450	
Less: current year depreciation	<u>(115,947)</u>	
		<u>(115,947)</u>

The issuance of debt is reported as a financing source in governmental funds and this contributes to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position.

Borrowings (proceeds from issuance):		
Less: note payable	-	
Repayments (principal retirement):		
Plus: note payable	<u>37,512</u>	
		<u>37,512</u>

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

Decrease in compensated absences	<u>-</u>	
		<u>-</u>

Decrease in net position of governmental activities	<u><u>\$ (15,502)</u></u>
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The accompanying notes are an integral part of this statement.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

Gerber Groves Water Control District (the "District") is an independent special district created in October 1964, by Circuit Court Order No. 2662, which was amended by the Twentieth Judicial Circuit Court in Hendry County on October 7, 1966, under the provisions of Florida Statutes, Chapter 298, for the purpose of preserving and protecting water resources by drainage, irrigation, or water control management for approximately 6,419 taxable acres in Hendry County. The formal date the District was established was January 5, 1965. The District is governed by an elected three (3) member Board of Supervisors serving staggered three (3) year terms. Board members are elected by landowners on a one acre/one vote basis.

Summary of Significant Accounting Policies

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

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

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

Reporting Entity

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Government-wide Financial Statements

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

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

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Government-wide Financial Statements, continued

Program revenues are considered to be revenues generated by services performed and/or by fees charged such as permits, allowing drainage into the District systems. The District had no such revenues for the year ended September 30, 2023.

Fund Financial Statements

The District adheres to GASB Number 54, "Fund Balance Reporting and Governmental Fund Type Definitions". As such, it is the District's intent to hold unassigned fund balance in an amount ranging between three (3) months to six (6) months operating expenditures. Assigned fund balance is held to respond to an emergency condition. Nonspendable fund balance represents amounts not considered liquid, such as prepaid amounts and deposits.

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

Fund financial statements for the District's governmental funds are presented after the government-wide financial statements. The governmental fund financial statements display information about its only major fund individually, for governmental funds.

Governmental Funds

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Governmental Funds, continued

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

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus and Basis of Accounting

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

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Measurement Focus and Basis of Accounting, continued

Revenues susceptible to accrual are maintenance assessments, interest on investments, and intergovernmental revenues. Maintenance assessments are recorded as revenues in the fiscal year in which they are levied, provided they are collected in the current period or within sixty (60) days thereafter. Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized when all eligibility requirements are met.

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

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

Separate financial statements are provided for governmental funds.

Non-current Government Assets/Liabilities

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

Major Funds - Governmental

The District reports the following major governmental fund:

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

Budgetary Information

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Capital Assets

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

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

All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date donated. Public domain (infrastructure) capital assets consisting of certain improvements other than building, including canals, culverts and excavations are capitalized. The District has segregated the cost of land and the cost of land under and surrounding its canals into the "land" category of capital assets. Since the District continually maintains its canals and drainage systems it owns, the District elected not to depreciate such systems. No debt-related interest expense is capitalized as part of capital assets in accordance with GASB 34.

Maintenance, repairs and minor renovations are not capitalized.

Expenditures that materially increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement, the cost is eliminated from the respective accounts.

Expenditures for capital assets are recorded in the fund statements as current expenditures. However, such expenditures are not reflected as expenditures in the government-wide financial statements but rather are capitalized and depreciated.

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

<u>Asset</u>	<u>Years</u>
Buildings	30
Equipment and Machinery	5-20

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Budgets and Budgetary Accounting

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

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

1. During the spring or summer of each year, the Financial Manager and/or Treasurer submits to the Board of Supervisors a proposed operating budget for the fiscal year commencing on the upcoming October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer/landowner comments.
3. The budget is adopted by approval of the Board of Supervisors.
4. Budget amounts, as shown in these basic financial statements, are as originally adopted or as amended by the Board of Supervisors.
5. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America.
6. The level of control for appropriations is exercised at the fund level.
7. Appropriations lapse at year-end.
8. The Board of Supervisors approved two amendments to the budget during fiscal year September 30, 2023. The amendments adjusted the prior year carryforward to the amount reflected in the September 30, 2022, audited financial statements and adjusted the budgeted revenue and expenditure amounts to estimated actual results. The effect of these amendments was an increase to budgeted revenues and expenditures by \$49,251.

Compensated Absences

The District's employees accumulate sick and annual leave based on the number of years of continuous service. Upon termination of employment, employees can receive payment of accumulated annual leave only up to 40 hours, if they meet certain criteria at termination. Accumulated annual leave at September 30, 2023, was not recorded in the basic financial statements as the accrued but unpaid balance at September 30, 2023 was deemed immaterial.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Encumbrances

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

Due From Other Governments

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

Net assets

In the government-wide financial statements no net assets have been identified as restricted. Restricted net assets are those net assets that have constraints as to their use externally imposed by creditors, through debt covenants, by grantors, or by law.

Fund balances

The governmental fund financial statements the District maintains include nonspendable, assigned and unassigned fund balances. Nonspendable fund balances are those that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Criteria include items that are not expected to be converted into cash, such as prepaid expenses and deposits.

The District's assigned fund balances are a result of the District's Board approval. The District's intent is to maintain a minimum assigned fund balance level of \$200,000. This assigned fund balance will serve as the District's disaster reserve as recommended by the District's engineer.

Leases

During the year ended September 30, 2022, the District adopted GASB Statement No. 87 - Leases (GASB 87). This Statement required the recognition of certain lease assets and liabilities in the Statement of Net Position that previously were classified as operating leases. The District, however, determined it had no operating lease agreements, therefore, did not meet the recording criteria of GASB Statement No. 87 at September 30, 2023.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

New Accounting Guidance

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

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

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

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Management Estimates

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

Subsequent Events

Subsequent events have been evaluated through May 15, 2024, which is the date the basic financial statements were available to be issued.

NOTE B - CASH AND INVESTMENTS

At September 30, 2023, cash was \$537,831.

Deposits

The District's deposit policy allows deposits to be held in demand deposit or money market accounts in compliance with Florida Statutes, Chapter 218.415(17). Deposits, at times during the fiscal year, exceeded FDIC insurance limits and were covered by collateral pursuant to the Public Depository Security Act (Chapter 280, F.S.).

At September 30, 2023, the carrying amount of the District's deposits was \$537,831 in the General Fund and the bank balance was \$537,831. These deposits were entirely covered by federal depository insurance or by collateral pursuant to the Public Depository Security Act of the State of Florida. All deposits were held in a qualified public depository at September 30, 2023.

Investments

Florida Statutes and the District's investment policy authorize investments in certificates of deposit (CD). Certificates of deposit balances whose values exceed the amount of federal depository insurance are collateralized pursuant to the Public Depository Security Act of the State of Florida. The District had one CD at September 30, 2023, with a carrying amount of \$162,753 and a bank balance of \$162,753.

GERBER GROVES WATER CONTROL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023

NOTE B - CASH AND INVESTMENTS, CONTINUED

Cash and Investment Policy

The District has adopted a cash and investment policy consistent with Florida Statute Chapter 218.415(17).

NOTE C - CAPITAL ASSETS ACTIVITY

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

	Balance October 1, 2022	Increases/ Additions	Decreases/ Retirements	Adjustments/ Reclassifications	Balance September 30, 2023
Capital Assets Not Being Depreciated:					
Land	\$ 400,880	\$ -	\$ -	\$ -	\$ 400,880
Total Capital Assets Not Being Depreciated	<u>400,880</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>400,880</u>
Capital Assets Being Depreciated:					
Buildings	37,450	-	-	-	37,450
Equipment & Machinery	<u>2,163,868</u>	<u>-</u>	<u>(21,000)</u>	<u>-</u>	<u>2,142,868</u>
Total Capital Assets Being Depreciated	<u>2,201,318</u>	<u>-</u>	<u>(21,000)</u>	<u>-</u>	<u>2,180,318</u>
Less Accumulated Depreciation:					
Buildings	(26,950)	(600)	-	-	(27,550)
Equipment & Machinery	<u>(1,087,424)</u>	<u>(115,347)</u>	<u>21,000</u>	<u>-</u>	<u>(1,181,771)</u>
Total Accumulated Depreciation	<u>(1,114,374)</u>	<u>(115,947)</u>	<u>21,000</u>	<u>-</u>	<u>(1,209,321)</u>
Total Capital Assets Being Depreciated, Net	<u>1,086,944</u>	<u>(115,947)</u>	<u>-</u>	<u>-</u>	<u>970,997</u>
Capital Assets, Net	<u>\$ 1,487,824</u>	<u>\$ (115,947)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1,371,877</u>
				Less: Long Term Debt	<u>(801,912)</u>
				Net Investment in Capital Assets	<u>\$ 569,965</u>

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

	<u>Amount</u>
Water Control	\$ 115,947
Total Depreciation Expense	<u>\$ 115,947</u>

GERBER GROVES WATER CONTROL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023

NOTE D - LONG-TERM OBLIGATIONS

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

	Balance October 1, 2022	Additions	Retirements/ Adjustments	Balance September 30, 2023	Amounts Due Within One Year
Note Payable	\$ 839,424	\$ -	\$ 37,512	\$ 801,912	\$ 41,560
Compensated Absences	-	-	-	-	-
	<u>\$ 839,424</u>	<u>\$ -</u>	<u>\$ 37,512</u>	<u>\$ 801,912</u>	<u>\$ 41,560</u>

The following is a summary of the long-term obligations at September 30, 2023:

	<u>Amount</u>
\$1,500,000 note payable (Series 2016 - dated February 29, 2016) to a financial institution bearing interest at an annual rate of 3.55%. Interest shall be payable in arrears on March 1 each year, commencing March 1, 2017. Principal will be payable on March 1 annually commencing March 1, 2019, based on the amount drawn by the District during the first 24 months. The entire unpaid principal and interest accrued shall be due and payable in full on March 1, 2038. The note payable is collateralized by all revenue of the District.	\$ 801,912
Noncurrent portion of compensated absences. Employees of the District are entitled to annual leave based on length of service and job classification.	<u>-</u> 801,912
Less: Current Portion	<u>(41,560)</u>
	<u>\$ 760,352</u>

GERBER GROVES WATER CONTROL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023

NOTE D - LONG-TERM OBLIGATIONS, CONTINUED

The annual debt service requirements for the note payable at September 30, were as follows:

Years Ending September 30	Note Payable Principal	Interest Payable	Total
2024	\$ 41,560	\$ 28,400	\$ 69,960
2025	43,035	26,925	69,960
2026	44,563	25,397	69,960
2027	46,145	23,815	69,960
2028	47,783	22,177	69,960
2029-2033	265,596	84,204	349,800
2034-2038	313,230	33,592	346,822
	<u>\$ 801,912</u>	<u>\$ 244,510</u>	<u>\$ 1,046,422</u>

Interest expenditures for the year ended September 30, 2023, was \$31,617.

NOTE E - MAINTENANCE TAXES

Maintenance taxes are levied after formal adoption of the District's budget and become due and payable on November 1 of each year and are delinquent on April 1 of the following year. Discounts on maintenance taxes are allowed for payments made prior to the April 1 delinquent date. Tax certificates are sold to the public for the full amount of any unpaid taxes and must be sold no later than June 1 of each year. The billing, collection and related record keeping of all maintenance taxes is performed for the District by the Hendry County Tax Collector. No accrual for the maintenance tax levy becoming due in November 2023 is included in the accompanying financial statements, since such taxes are collected to finance the expenditures of the subsequent period.

Procedures for collecting delinquent taxes, including applicable tax certificate sales and tax deed sales, are provided for by Florida Statutes. The enforceable lien date is approximately two years after taxes become delinquent and occurs only upon request of a holder of a delinquent tax certificate.

NOTE E - MAINTENANCE TAXES, CONTINUED

Important dates in the maintenance tax cycle are as follows:

Assessment roll certified	July 1
Assessment resolution approved	No later than 93 days following certification of assessment roll
Taxes due and payable (Levy date)	November, with various discount provisions through March 31
Maintenance Taxes payable - maximum discount (4 percent)	30 days after levy date
Beginning of fiscal year for which taxes have been levied	October 1
Due Date	March 31
Taxes become delinquent (lien date)	April 1
Tax certificates sold by the Hendry County Tax Collector	Prior to June 1

Under the provisions of Chapter 298.54 of the Florida Statutes, the Board of Supervisors of the District levied a uniform maintenance tax of \$110 per acre of land within the District to pay the operating costs for the year ended September 30, 2023. These costs include field operations, surveys, engineering, legal and accounting fees and other expenses as judged necessary by the Board.

NOTE F - SELF-INSURANCE PROGRAM

The District is a member of the Florida League of Cities self-insurers program including general/professional liability, auto, property, and workers' compensation. The program purchases excess and other specific coverages from third party carriers. Members of the program are billed annually for their portion of the program and are not assessable for unanticipated losses incurred by the program. Maximum liability coverage is \$300,000. The District also pays for the required Supervisor fidelity bonds. Premiums paid during the year ended September 30, 2023 totaled \$27,691.

NOTE G - RELATED PARTIES

A Board member of the District is the majority shareholder of a corporation that provides canal and road maintenance to the District at approximated market rates. The corporation is also a significant landowner within the District.

During the year ended September 30, 2023, the District paid the corporation \$88,431 for these services including \$6,603 payable at September 30, 2023.

NOTE H - CONTINGENCIES

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

**REQUIRED SUPPLEMENTARY
INFORMATION
OTHER THAN MD&A**

**GERBER GROVES WATER CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND
ACTUAL - GENERAL FUND - SUMMARY STATEMENT
Year Ended September 30, 2023**

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Maintenance taxes	\$ 705,980	\$ 693,963	\$ 693,963	\$ -
Joint trust contributions	-	54,934	16,500	(38,434)
Interest income	-	-	22,985	22,985
Miscellaneous income	-	-	-	-
Prior year budget carryforward	571,733	578,067	-	(578,067)
TOTAL REVENUES	<u>1,277,713</u>	<u>1,326,964</u>	<u>733,448</u>	<u>(593,516)</u>
EXPENDITURES				
Current				
General government				
Administration				
Operating expenditures	114,640	88,130	88,130	-
Physical environment				
Field operations				
Personnel services	96,000	79,497	79,497	-
Operating expenditures	425,340	449,208	449,209	(1)
	521,340	528,705	528,706	(1)
Capital outlay	-	-	-	-
Debt service:				
Principal reduction	70,000	69,129	37,512	31,617
Interest and fiscal charges	-	-	31,617	(31,617)
Contingency	571,733	641,000	-	641,000
TOTAL EXPENDITURES	<u>1,277,713</u>	<u>1,326,964</u>	<u>685,965</u>	<u>640,999</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>47,483</u>	<u>47,483</u>
OTHER FINANCING SOURCES				
Proceeds from disposition of capital assets	-	-	15,450	15,450
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>15,450</u>	<u>15,450</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	62,933	<u>\$ 62,933</u>
FUND BALANCE - BEGINNING			<u>578,067</u>	
FUND BALANCE - ENDING			<u>\$ 641,000</u>	

The accompanying notes are an integral part of this statement.

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

	General Fund			
	Original	Final	Actual	Variance
	Budget	Budget		(Unfavorable)
REVENUES				
Maintenance taxes	\$ 705,980	\$ 693,963	\$ 693,963	\$ -
Joint trust contributions	-	54,934	16,500	(38,434)
Interest income	-	-	22,985	22,985
Miscellaneous income	-	-	-	-
Prior year budgeted carryforward	571,733	578,067	-	(578,067)
TOTAL REVENUES	<u>1,277,713</u>	<u>1,326,964</u>	<u>733,448</u>	<u>(593,516)</u>
EXPENDITURES				
Current				
General government				
Administration				
Operating expenditures				
Accounting and administrative fees	16,440	16,440	16,440	-
Audit	12,500	11,750	11,750	-
Tax collection fees/discounts	29,000	10,490	10,490	-
License and permits	500	420	420	-
Rentals	1,500	1,393	1,393	-
Telephone services	1,500	1,663	1,663	-
Insurance - general	32,000	27,691	27,691	-
Legal notices	300	-	-	-
Office expense	500	734	734	-
Postage and delivery	400	219	219	-
Legal fees/Professional fees	20,000	17,330	17,330	-
TOTAL ADMINISTRATION	<u>114,640</u>	<u>88,130</u>	<u>88,130</u>	<u>-</u>
Physical environment				
Field operations				
Personnel services				
Wages	88,000	73,923	73,923	-
Payroll taxes	8,000	5,574	5,574	-
Contract labor	-	-	-	-
TOTAL - PERSONNEL SERVICES	<u>96,000</u>	<u>79,497</u>	<u>79,497</u>	<u>-</u>

The accompanying notes are an integral part of this statement.

GERBER GROVES WATER CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND
ACTUAL - GENERAL FUND - DETAILED STATEMENT, CONTINUED
Year Ended September 30, 2023

	General Fund			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
EXPENDITURES, CONTINUED				
Operating expenditures				
Engineering service	10,000	9,495	9,495	-
Electric	120,000	112,360	112,360	-
BWCD ISF - cost sharing	35,000	38,008	38,009	(1)
Canal maintenance	75,000	58,676	58,676	-
Pump maintenance	36,000	9,703	9,703	-
Road maintenance	40,000	106,185	106,184	1
Equipment maintenance	15,000	16,856	16,857	(1)
Fuel	36,640	38,523	38,523	-
Equipment rental	-	-	-	-
Security	57,200	57,514	57,514	-
Operating supplies	500	1,888	1,888	-
	<u>425,340</u>	<u>449,208</u>	<u>449,209</u>	<u>(1)</u>
TOTAL - FIELD OPERATIONS	<u>521,340</u>	<u>528,705</u>	<u>528,706</u>	<u>(1)</u>
Capital outlay	-	-	-	-
Debt service:				
Principal reduction	70,000	69,129	37,512	31,617
Interest and fiscal charges	-	-	31,617	(31,617)
Contingency	<u>571,733</u>	<u>641,000</u>	<u>-</u>	<u>641,000</u>
	<u>641,733</u>	<u>710,129</u>	<u>69,129</u>	<u>641,000</u>
TOTAL EXPENDITURES	<u>1,277,713</u>	<u>1,326,964</u>	<u>685,965</u>	<u>640,999</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	-	-	47,483	47,483
OTHER FINANCING SOURCES				
Proceeds from disposition of capital assets	-	-	15,450	15,450
TOTAL OTHER FINANCING SOURCES	-	-	15,450	15,450
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	62,933	<u>\$ 62,933</u>
FUND BALANCE - BEGINNING			<u>578,067</u>	
FUND BALANCE - ENDING			<u>\$ 641,000</u>	

The accompanying notes are an integral part of this statement.

ADDITIONAL REPORTS



TUSCAN
& Company, PA

Certified Public Accountants & Consultants

Affiliations

Florida Institute of Certified Public Accountants

American Institute of Certified Public Accountants

Private Companies Practice Section

Tax Division

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

Board of Supervisors
Gerber Groves Water Control District
P.O. Box 790
LaBelle, Florida 33975-0790

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America, the basic financial statements of the governmental activities and the major fund of Gerber Groves Water Control District (the "District") as of and for the year ended September 30, 2023, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents and have issued our report thereon dated May 15, 2024.

Internal Control Over Financial Reporting

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

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

INTEGRITY SERVICE EXPERIENCE

material misstatement of the basic financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of This Report

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

A handwritten signature in black ink that reads "Tuscán & Company, P.A." with a stylized flourish at the end.

TUSCAN & COMPANY, P.A.
Fort Myers, Florida
May 15, 2024



TUSCAN
 & Company, PA

Certified Public Accountants & Consultants

Affiliations

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

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

Board of Supervisors
 Gerber Groves Water Control District
 P.O. Box 790
 LaBelle, Florida 33975-0790

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

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

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

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

Tuscan & Company, P.A.

TUSCAN & COMPANY, P.A.
 Fort Myers, Florida
 May 15, 2024

INTEGRITY SERVICE EXPERIENCE



INDEPENDENT AUDITOR'S REPORT TO MANAGEMENT

Board of Supervisors
Gerber Groves Water Control District
P.O. Box 790
LaBelle, Florida 33975-0790

We have audited the accompanying basic financial statements of Gerber Groves Water Control District (the "District") as of and for the year ended September 30, 2023, and have issued our report thereon dated May 15, 2024.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America and Chapter 10.550, Rules of the Florida Auditor General. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters based on an audit of the financial statements performed in accordance with Government Auditing Standards and Chapter 10.550, Rules of the Florida Auditor General. Disclosures in those reports, which are dated May 15, 2024, should be considered in conjunction with this report to management.

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

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no financially significant prior year comments.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. No such recommendations were noted to improve financial management.

INTEGRITY SERVICE EXPERIENCE

- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The District discloses this information in the notes to the financial statements.
- Section 10.554(1)(i)5.a., Rules of the Auditor General, requires a statement be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Pursuant to Sections 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, we have applied financial condition assessment procedures. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. In connection with our audit, we determined that the District did not meet any of the criteria of a deteriorating financial condition described in Auditor General Rule Section 10.554(1)(i)(5).a.
- Pursuant to Section 10.554(1)(i)5.b.2, Rules of the Auditor General, if a deteriorating financial condition(s) is noted then a statement is so required along with the conditions causing the auditor to make such a conclusion. No such conditions were noted.
- Pursuant to Section 10.554(1)(i)5.c., Rules of the Auditor General, requires a statement indicating a failure, if any, of a component unit special district to provide financial information necessary to a proper reporting of the component unit within the audited financial statements of this entity (F.S. Section 218.39(3)(b)). There are no known component special districts required to report within these financial statements.
- Pursuant to Section 10.554(1)(i)6, Rules of the Auditor General, requires disclosure of certain unaudited data. See Exhibit 2.
- Pursuant to Section 10.554(1)(i)7, Rules of the Auditor General, requires an independent special district that imposes ad valorem taxes to disclose certain related unaudited data. See Exhibit 2.

- Pursuant to Section 10.554(1)8, Rules of the Auditor General, requires an independent special district that imposes a non-ad valorem special assessment to disclose certain unaudited data. See Exhibit 2.
- Section 10.556(10)(a), Rules of the Auditor General, requires that the scope of our audit to determine the entity's compliance with the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the District complied with Section 218.415, Florida Statutes as reported in our Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes dated May 15, 2024, included herein.

PRIOR YEAR COMMENTS THAT CONTINUE TO APPLY:

There were no financially significant prior year comments noted.

CURRENT YEAR COMMENTS:

There were no financially significant current year comments noted.

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

A handwritten signature in black ink that reads "Tuscán & Company, P.A." The signature is written in a cursive, flowing style.

TUSCAN & COMPANY, P.A.

Fort Myers, Florida

May 15, 2024

EXHIBIT 1

May 15, 2024

Auditor General
State of Florida
111 West Monroe Street
Tallahassee, Florida 32309-1450

Re: Response to Management Letter – Fiscal Year 2022-2023

In response to the management letter contained in the independent audit by Tuscan & Company of the Gerber Groves Water Control District we provide the following:

Per prior year, there were no financially significant comments noted.

Per current year, there were no financially significant comments noted.

Sincerely,

A handwritten signature in black ink, appearing to read "Garret Depue". The signature is written in a cursive, flowing style.

Garret Depue
Labelle CPA

EXHIBIT 2

**UNAUDITED
COMPLIANCE WITH REPORTING REQUIRED BY:**

Auditor General Rule 10.554(1)(i)6

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

- a. The total number of district employees compensated in the last pay period of the district's fiscal year being reported (see information required in Section 218.32(1)(e)2.a., Florida Statutes). 1
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year being reported (see information required in Section 218.32(1)(e)2.b., Florida Statutes). 12
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency (see information required in Section 218.32(1)(e)2.c., Florida Statutes). (Total wage compensation for the fiscal year being audited)
\$ 73,923
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency (see information required in Section 218.32(1)(e)2.d., Florida Statutes). (Amounts paid that would be reported on a Form 1099 for FYE)
\$ 257,484
- e. Each construction project with a total cost of at least \$65,000 approved by the district that was scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project (see information required in Section 218.32(1)(e)2.e., Florida Statutes). N/A
- f. A budget variance report based on the budget adopted under section 189.016(4), Florida Statutes, before the beginning of the fiscal year reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes (see information required in Section 218.32(1)(e)3., Florida Statutes). If there were amendments then include budget variance (original budget vs. actual at FYE). See attached page 3.

Auditor General Rule 10.554(1)(i)7

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

- a. The millage rate or rates imposed by the district. N/A
- b. The current year gross amount of ad valorem taxes collected by or on behalf of the district. N/A
- c. The total amount of outstanding bonds issued by the district and terms of such bonds. N/A

Auditor General Rule 10.554(1)(i)8

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

- a. The rate or rates of such assessment imposed by the district.
Maintenance Tax: \$98.69/acre
Loan Assessment: \$11.31/acre
- b. The total amount of assessments collected by or on behalf of the district.
\$ 693,963
- c. The total amount of outstanding bonds issued by the district and the terms of such bonds. N/A

GERBER GROVES WATER CONTROL DISTRICT Page 3
ORIGINAL BUDGET vs. ACTUAL COMPARISON REPORT - UNAUDITED -
GENERAL FUND
Year Ended September 30, 2023

	General Fund		
	Original		Variance
	Budget	Actual	Favorable (Unfavorable)
REVENUES			
Maintenance taxes	\$ 705,980	\$ 693,963	\$ (12,017)
Joint trust contributions	-	16,500	16,500
Interest income	-	22,985	22,985
Miscellaneous income	-	-	-
Prior year budget carryforward	<u>571,733</u>	<u>-</u>	<u>(571,733)</u>
TOTAL REVENUES	<u>1,277,713</u>	<u>733,448</u>	<u>(544,265)</u>
EXPENDITURES			
Current			
General government			
Administration			
Operating expenditures	114,640	88,130	26,510
Physical environment			
Field operations			
Personnel services	96,000	79,497	16,503
Operating expenditures	<u>425,340</u>	<u>449,209</u>	<u>(23,869)</u>
	521,340	528,706	(7,366)
Capital outlay	-	-	-
Debt service:			
Principal reduction	70,000	37,512	32,488
Interest and fiscal charges	-	31,617	(31,617)
Contingency	<u>571,733</u>	<u>-</u>	<u>571,733</u>
TOTAL EXPENDITURES	<u>1,277,713</u>	<u>685,965</u>	<u>591,748</u>
EXCESS OF REVENUES OVER (UNDER)			
EXPENDITURES	<u>-</u>	<u>47,483</u>	<u>47,483</u>
OTHER FINANCING SOURCES			
Proceeds from issuance of note payable	<u>-</u>	<u>15,450</u>	<u>15,450</u>
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>15,450</u>	<u>15,450</u>
EXCESS OF REVENUES AND OTHER SOURCES			
OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>62,933</u>	<u>\$ 62,933</u>
FUND BALANCE - BEGINNING		<u>578,067</u>	
FUND BALANCE - ENDING		<u>\$ 641,000</u>	

The accompanying notes are an integral part of this statement.