

**INDIAN RIVER FARMS
WATER CONTROL DISTRICT**

**Basic Financial Statements
with
Independent Auditors' Report**

Year ended September 30, 2023

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Independent Auditors' Report

To the Board of Supervisors
Indian River Farms Water Control District
Vero Beach, Florida

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 Indian River Farms Water Control District (the District), as of and for the year ended September 30, 2023, and related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, 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, 2023 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' 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

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.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2024, on our consideration of Indian River Farms Water Control District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 Indian River Farms Water Control District's internal control over financial reporting and compliance.

Kmetz, Elwell, Graham & Associates

Kmetz, Elwell, Graham, & Associates, PLLC
Certified Public Accountants
Vero Beach, Florida

June 24, 2024

**INDIAN RIVER FARMS WATER CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

As management of the Indian River Farms Water Control District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2023. This overview and analysis is required by generally accepted accounting principles (GAAP) in the United States of America in Governmental Accounting Standards Board Statement No. 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (GASB 34).

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the District exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$3,185,639 (net position). The District's total net position decreased by \$262,951 or 7.6 % in comparison with prior year net assets.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$2,841,453, a decrease of \$30,821 or 1% in comparison with the prior year balances. All of the \$2,841,453 is available for spending at the government's discretion (unassigned fund balance).
- Investment in capital assets decreased over the prior year by \$89,607 or 7%.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

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.

The *statement of net position* presents information on all of the District's assets (both short-term spendable resources and capital assets) and liabilities, with the difference between the two reported as *net position*. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets 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.

Both of the government-wide financial statements present functions of the District (*governmental activities*) that are principally supported by taxes and charges for services. The governmental activities of the District include water control and resource management.

The government-wide financial statements include only the District. There are no component units for which the District is financially accountable.

The government-wide financial statements can be found on pages 10 and 11 of this report.

**INDIAN RIVER FARMS WATER CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

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. All of the funds of the District are governmental funds.

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

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

The District adopts an annual appropriated budget for all funds. Government accounting standards require the District to report a budgetary comparison statement for the general fund and any major special revenue or enterprise funds. A budgetary comparison statement has been provided for the general fund and the special revenue fund.

The basic governmental fund financial statements can be found on pages 12 – 14 of this report.

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 on pages 15 - 30 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$3,185,639 at September 30, 2023.

\$1,157,069 (36%) of the District's net position reflects its investment in capital assets (e.g., land, buildings, equipment and water control structures). The District uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

The remaining portion of the District's net position (64%) represents *unrestricted net position*, which may be used to meet the government's ongoing obligations to citizens.

**INDIAN RIVER FARMS WATER CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

INDIAN RIVER FARMS WATER CONTROL DISTRICT'S NET POSITION

At the end of the current fiscal year, the District is able to report positive balances in both categories of net position.

	2023	2022
Current assets	\$ 2,923,752	\$ 2,972,214
Capital assets, net	1,157,069	1,246,676
Total Assets	4,080,821	4,218,890
Deferred outflows of resources	269,969	214,938
Current liabilities	82,299	99,940
Noncurrent liabilities	1,007,124	786,341
Deferred inflows of resources	75,728	98,957
Net Position		
Net investment in capital assets	1,157,069	1,246,676
Unrestricted	2,028,570	2,201,914
Total Net Position	\$ 3,185,639	\$ 3,448,590

INDIAN RIVER FARMS WATER CONTROL DISTRICT'S CHANGE IN NET POSITION

	2023	2022
Revenues		
Intergovernmental:		
State grant	\$ 245,344	\$ -
Program revenues:		
Charges for services	41,042	41,042
General revenues:		
Maintenance taxes, net of discounts	1,361,050	1,225,252
Sale of right of ways	-	896,233
Other	159,677	90,846
Total revenues	1,807,113	2,253,373
Expenses		
Water control and resource management	2,070,064	1,522,829
Total expenses	2,070,064	1,522,829
Increase (decrease) in net position	(262,951)	730,544
Net position, beginning of year	3,448,590	2,718,046
Net position, end of year	\$ 3,185,639	\$ 3,448,590

**INDIAN RIVER FARMS WATER CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental activities – The District relies heavily on general revenues (i.e., property taxes, sale of right of ways, etc.) to fund the expenses of the governmental activities. Program revenues consisting of charges for services comprise 3% of total revenues. General revenues comprise 97% of total revenues.

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds – The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a District's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental fund (general fund) reported an ending fund balance of 2,841,453 constituting *unassigned fund balance*, which is available for spending at the District's discretion.

The general fund is the only operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$2,841,453. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance exceeded expenditures by \$1,248,863.

The fund balance of the District's general fund decrease by \$30,821 during the year ended September 30, 2023.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget was amended for changes in expenditures, primarily due to increase in salaries of \$57,000. The actual expenditures were some \$409,773 less than the budgeted amount.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets – The District's investment in capital assets for its governmental activities as of September 30, 2023, amounted to \$1,157,069 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment and water control structures. Additional information on the District's capital assets can be found in Notes 1 and 3 on pages 17 and 21 of this report.

Long-term debt – The District's long-term debt consists of net pension liabilities of 1,007,124 as of September 30, 2023.

**INDIAN RIVER FARMS WATER CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The District received the majority of its revenues from a property tax levied on 58,631 acres (65,420 taxing units) that make up the physical boundaries of the District.

These factors were considered in preparing the District's budget for the 2023-2024 fiscal year.

DATA ELEMENTS

Other Information required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General (unaudited):

Element	Comments
Number of district employees compensated at 9/30/2023	8
Number of independent contractors compensated in September 2023	3
Employee compensation for FYE 9/30/2023 (paid/accrued)	\$720,117
Independent contractor compensation for FYE 9/30/2023	\$52,917
Construction projects to begin on or after October 1; (>\$65K)	Not applicable
Budget variance report	See Required Supplementary
<hr/>	
Ad Valorem taxes:	
Millage rate FYE 9/30/20XX	Not applicable
Ad valorem taxes collected FYE 9/30/20XX	Not applicable
Outstanding Bonds:	Not applicable
<hr/>	
Non ad valorem special assessments:	
Special assessment rate FYE 9/30/2023	\$21.50
Special assessments collected FYE 9/30/2023	\$1,361,050
Outstanding Bonds:	Not applicable

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to David E. Gunter, Secretary/Treasurer, Indian River Farms Water Control District, 7305 4th Street, Vero Beach, FL 32968.

Indian River Farms Water Control District
Statement of Net Position

September 30, 2023

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 2,474,740	\$ -	\$ 2,474,740
Certificate of deposit	416,647	-	416,647
Accounts receivable	19,245	-	19,245
Inventory	13,120	-	13,120
Capital assets, net	1,157,069	-	1,157,069
Total Assets	4,080,821	-	4,080,821
Deferred Outflows of Resources			
Deferred outflows of pension earnings	269,969	-	269,969
Liabilities			
Accounts payable	54,493	-	54,493
Accrued expenses	27,806	-	27,806
Noncurrent net pension liability	1,007,124	-	1,007,124
Total Liabilities	1,089,423	-	1,089,423
Deferred Inflows of Resources			
Deferred inflows of pension earnings	75,728	-	75,728
Net Position			
Net investment in capital assets	1,157,069	-	1,157,069
Unrestricted	2,028,570	-	2,028,570
Total Net Position	\$ 3,185,639	\$ -	\$ 3,185,639

See accompanying notes to the basic financial statements.

Indian River Farms Water Control District
Statement of Activities

Year ended September 30, 2023

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
Governmental activities:							
Water control and resource management	\$ 2,070,064	\$ 41,042	\$ 245,344	\$ -	\$ (1,783,678)	\$ -	\$ (1,783,678)
Total Governmental Activities	\$ 2,070,064	\$ 41,042	\$ 245,344	\$ -	(1,783,678)	-	(1,783,678)
General Revenues:							
					1,361,050	-	1,361,050
					50,914	-	50,914
					108,763	-	108,763
					1,520,727	-	1,520,727
					(262,951)	-	(262,951)
					3,448,590	-	3,448,590
					\$ 3,185,639	\$ -	\$ 3,185,639

See accompanying notes to the basic financial statements.

Indian River Farms Water Control District
Balance Sheet - Governmental Funds

September 30, 2023

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 2,474,740	\$ -	\$ 2,474,740
Certificate of deposit	416,647	-	416,647
Due from other governments	19,245	-	19,245
Inventory	13,120	-	13,120
Total Assets	\$ 2,923,752	\$ -	\$ 2,923,752
Liabilities and Fund Balance			
Liabilities:			
Accounts payable	\$ 54,493	\$ -	\$ 54,493
Accrued expenses	27,806	-	27,806
Total Liabilities	82,299	-	82,299
Fund balance:			
Unassigned	2,841,453	-	2,841,453
Total Fund Balance	2,841,453	-	2,841,453
Total Liabilities and Fund Balance	\$ 2,923,752	\$ -	\$ 2,923,752
Total Fund Balances			\$ 2,841,453
Amounts reported for governmental activities 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 governmental funds.			1,157,069
Deferred inflows and outflows of resources related to pension earnings are not recognized in the governmental funds. However, they are recorded in the statement of net position under full accrual accounting.			194,241
Long-term net pension liabilities are not due and payable in the current period and therefore, are not reported in the funds.			(1,007,124)
Net Position of Governmental Activities			\$ 3,185,639

See accompanying notes to the basic financial statements.

Indian River Farms Water Control District
Statement of Revenues, Expenditures and Changes in
Fund Balances - Governmental Funds

Year ended September 30, 2023

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes, net of discounts	\$ 1,361,050	\$ -	\$ 1,361,050
Right of way rent	41,042	-	41,042
Interest income	50,914	-	50,914
Other income	108,763	245,344	354,107
Total Revenues	1,561,769	245,344	1,807,113
Expenditures			
Current operating:			
Water control and resource management	1,584,627	245,344	1,829,971
Capital outlay	7,963	-	7,963
Total Expenditures	1,592,590	245,344	1,837,934
Net Decrease in Fund Balance	(30,821)	-	(30,821)
Fund Balance, beginning of year	2,872,274	-	2,872,274
Fund Balance, end of year	\$ 2,841,453	\$ -	\$ 2,841,453

See accompanying notes to the basic financial statements.

Indian River Farms Water Control District

Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances - Governmental Funds to the Statement of Activities

Year ended September 30, 2023

Net Change in Fund Balances - Governmental Funds	\$ (30,821)
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense of \$97,570 exceeds capital outlays of \$7,963 in the period.	(89,607)
Cash pension contributions reported in the funds were less than the calculated pension expense on the statement of activities and therefore decreased net position.	(142,523)
<hr/> Change in Net Position of Governmental Activities	<hr/> \$ (262,951)

See accompanying notes to the basic financial statements.

Indian River Farms Water Control District

Notes to Basic Financial Statements

September 30, 2023

Note 1 – Summary of Significant Accounting Policies

General Information

The Indian River Farms Water Control District (the District) is an independent special district, as defined by the laws of the State of Florida, and is located in Indian River County, Florida. The District was incorporated pursuant to a decree in the Circuit Court of the Fifteenth Judicial Court, in and for St. Lucie County, Florida on May 6, 1919. The District consists of landowners who receive the benefit of water management and are assessed for the maintenance and operation of the District. The District is comprised of 58,631 acres (65,420 taxing units).

Reporting Entity

Criteria for determining if other entities are potential component units of the District which should be reported with the District's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. The reporting entity for the District includes all functions of government in which the Board of Supervisors exercises oversight responsibility. Oversight responsibility includes, but is not limited to, financial interdependency, selection of governing authority, designation of management, significant ability to influence operations and accountability for fiscal matters. As a result of applying the above reporting entity criteria, no component units exist in which the District has any oversight responsibilities which would require inclusion in the District's financial statements.

Basis of Presentation

The District's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is responsible for establishing accounting principles generally accepted in the United States of America for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant principles generally accepted in the United States of America and used by the District are discussed below.

The basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The District has no business-type activities. Governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. Reconciling items arise from differences in the measurement focuses and basis of accounting between the statements and certain required eliminations.

Basic Financial Statements - Government-wide Statements

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt obligations. The District's net assets are reported in two parts – invested in capital assets and unrestricted net assets. When applicable, the District first utilizes restricted resources to finance qualifying activities.

Indian River Farms Water Control District

Notes to Basic Financial Statements (continued)

Note 1 – Summary of Significant Accounting Policies (continued)

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

Basic Financial Statements – Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, expenditures, and other financing sources and uses. Resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The District's major governmental funds are as follows:

General Fund - Used to account for all financial resources not required to be accounted for in another fund.

Special Revenue Fund - Used to account for FEMA funds.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures 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.

Both governmental and business-type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The governmental funds financial statements are prepared using the modified accrual basis of accounting. Under the modified accrual basis, revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues become available when they are collectable within the current period, or soon enough thereafter to be used to pay liabilities of the period. Property taxes are recorded as revenue when received; uncollected property taxes are insignificant to the overall operations of the District and therefore are not accrued. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except unmatured interest on long-term debt which should be recognized when due. The principal exception to this general rule is that prepaid items are generally not accrued.

Budgetary Basis Accounting

The annual budget is adopted for the governmental funds and approved by the Board of Supervisors. Once approved, the District may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations. The District prepares the budget on a basis consistent with generally accepted accounting principles. Appropriations for the General Fund and Special Revenue Fund lapse at the end of the fiscal year. Budgetary control is established at the fund level. Expenditures in excess of appropriation in one or more funds do not constitute a violation of budgetary controls as long as total expenditures do not exceed total appropriations for the major fund.

Indian River Farms Water Control District
Notes to Basic Financial Statements (continued)

Note 1 – Summary of Significant Accounting Policies (continued)

Encumbrances

The District does not utilize encumbrance accounting.

Cash and Cash Equivalents

For purposes of statement presentation, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash or cash equivalents.

Inventories

Inventories, consisting of fuel and chemicals used for aquatic weed control, are valued at cost, under the first-in, first-out (FIFO) method. Inventories are accounted for using the purchase method.

Capital Assets and Depreciation

Expenditures for capital assets acquired for general District purposes are reported in the governmental activities column of the government-wide statement of net assets, but are not reported in the fund financial statements. All capital assets are capitalized at cost and updated for additions and retirements during the year. Donated assets are recorded at fair market value at the date of donation. The District maintains a capitalization threshold of \$500. Major outlays for capital assets and improvements are capitalized as projects are completed; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

Public domain (infrastructure) general fixed assets consisting of certain improvements other than building have not been capitalized in the past. As a phase 3 government with revenues less than \$10 million, the District has elected not to retroactively report these assets. As required, the District has elected, effective October 1, 2003, to capitalize all current and future costs.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	5-40 years
Equipment	5-10 years
Water control structures	10-20 years

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. Payments made within sixty days after year end are considered to have been made with current available financial resources. Other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

Compensated Absences

Vacation and sick pay expenditures are recognized when payments are made to the employees. Employees are entitled to vacation after one year of employment. Vacation and sick leave do not accumulate from year to year, thus no liability is recorded.

Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of costs, such as depreciation and amortization, are not recognized in governmental funds.

Indian River Farms Water Control District

Notes to Basic Financial Statements (continued)

Note 1 – Summary of Significant Accounting Policies (continued)

Property Taxes

The District is authorized by Section 298.54, Florida Statutes, to levy property taxes of \$21.50 per acre on property located within the District. The property assessment and tax collection functions are performed by appropriate officials of County government. Commissions are paid to the County for these appraisal and collection services.

Property tax revenues recognized for the 2022-23 fiscal year were levied on January 1, 2022. Virtually all unpaid taxes are collected via the sale of tax certificates prior to fiscal year end. Therefore, there were no significant taxes receivable at year-end.

Key dates in the property tax cycle (latest date where appropriate) are as follows:

	<u>Revenues for Fiscal Year Ended September 30, 2023</u>
Lien date	January 1, 2022
Property taxes levied	October 31, 2022
Beginning of fiscal year for which taxes have been levied	October 1, 2022
Tax bills rendered	November 1, 2022
Property taxes payable:	
Maximum discount	November 30, 2022
Delinquent	April 1, 2023
Tax certificates sold on unpaid property taxes	May 31, 2023

Interfund Activity

Loans between governmental funds are reported as interfund receivables or payables as appropriate and are subject to elimination upon consolidation. Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. During the year ended September 30, 2023, the District made no interfund transfers.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Supervisors and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the year ended September 30, 2023.

Indian River Farms Water Control District

Notes to Basic Financial Statements (continued)

Note 1 – Summary of Significant Accounting Policies (continued)

Fund Balance

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) are legally or contractually required to be maintained intact. The District did not have any nonspendable resources as of September 30, 2023.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District did not have any restricted resources as of September 30, 2023.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Supervisors. These amounts cannot be used for any other purpose unless the Board of Supervisors removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District did not have any committed resources as of September 30, 2023.

Assigned – This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the District or by an official or body to which the District delegates the authority. The District did not have any assigned resources as of September 30, 2023.

Unassigned – This classification includes the residual fund balance for the General Fund.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has one item that qualifies for reporting in this category for the year ended September 30, 2023, deferred outflows of pension earnings.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category for the year ended September 30, 2023, deferred inflows of pension earnings.

Indian River Farms Water Control District
Notes to Basic Financial Statements (continued)

Note 1 – Summary of Significant Accounting Policies (continued)

Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted- net position and unrestricted- net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted - net position to have been depleted before unrestricted-net position is applied.

Fund Balance Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Subsequent Events

Subsequent events have been evaluated through June 24, 2024 which is the date the financial statements were available to be issued.

Note 2 – Cash and Investments

Florida statutes require state and local governmental units to deposit monies with financial institutions classified as "qualified public depositories", a multiple financial institution pool whereby groups of securities pledged by the various financial institutions provide common collateral for their deposits of public funds. This pool is provided as additional insurance to the federal depository insurance and allows for additional assessments against the member institutions, providing full insurance for public deposits. Further, Florida Statutes limit such investment and deposit accounts in "qualified public depositories" to savings accounts, demand deposit accounts, certificates of deposits and direct obligations of the U.S. Treasury and other federal agencies or entities.

Indian River Farms Water Control District
Notes to Basic Financial Statements (continued)

Note 2 – Cash and Investments (continued)

Deposits

At year-end, the carrying amount of the District’s cash was \$2,891,387 and the bank balances were \$2,899,960. Of the bank balances, \$250,000 was covered by federal depository insurance and \$2,649,960 was covered by collateral held in escrow by the bank’s trust department under the “qualified public depository” rules as previously stated.

Note 3 – Capital Assets

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

	Balance September 30, 2022	Additions	Deletions	Balance September 30, 2023
Capital assets not being depreciated:				
Land	\$ 30,730	\$ -	\$ -	\$ 30,730
Total capital assets not being depreciated	30,730	-	-	30,730
Other capital assets:				
Buildings and improvements	1,810,571	-	-	1,810,571
Equipment	1,242,142	7,963	(12,380)	1,237,725
Water control structures	1,045,222	-	-	1,045,222
Total other capital assets, at historical cost	4,097,935	7,963	(12,380)	4,093,518
Less accumulated depreciation for:				
Buildings and improvements	(727,705)	(46,045)	-	(773,750)
Equipment	(1,185,565)	(19,170)	12,380	(1,192,355)
Water control structures	(968,719)	(32,355)	-	(1,001,074)
Total accumulated depreciation	(2,881,989)	(97,570) *	12,380	(2,967,179)
Other capital assets, net	1,215,946	(89,607)	-	1,126,339
Governmental activities capital assets, net	\$ 1,246,676	\$ (89,607)	\$ -	\$ 1,157,069

* Depreciation expense was charged to governmental functions as follows:

Water control and resource management	\$ 97,570
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Indian River Farms Water Control District

Notes to Basic Financial Statements (continued)

Note 4 – Long-Term Liabilities

Long-term liabilities consist of net pension liabilities of \$1,007,124. Additional information on the District's net pension liabilities can be found in Note 6 on pages 26 and 29.

Note 5 – Risk Management Programs

Workers' compensation coverage is provided by the District. Employees of the District are covered by purchased health insurance. The District contributes monthly for each employee to the plan, and employees, at their option, authorize payroll withholdings to pay for dependents. Employees authorize payroll withholdings and are responsible for all premiums.

General liability, professional liability, and property coverages are being provided through purchased commercial insurance with minimum deductibles for each line of coverage. Commercial coverage has not been exceeded.

Note 6 - Retirement Plans

Florida Retirement System Retirement Plan

The District's employees participate in the Florida System Retirement Plan (the Plan), which is a conditionally qualified plan under Section 401(a) of the Internal Revenue Code. The Plan is a cost sharing public employee retirement system with one exception: All risks and costs are not shared by the District, but are the liability of the State of Florida. The Plan is funded through contributions by the District and the District has no legal obligation for paying benefits.

Generally, membership is mandatory for all employees. The District is required to contribute 10.19% for employees and 29.85% for senior management (percentage in effect at September 30, 2023) of the employees'/commissioners' gross earnings, less merit pay and bonuses. Effective July 1, 2011, employees are required to contribute 3% of gross earnings. The District made the required contribution, amounting to \$189,584.

General Information - All of the District's employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, which is administered by the State Board of Administration ("SBA"). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, for from the Web site: employer.frs.fl.gov/forms/2022-23_ACFR.pdf.

Indian River Farms Water Control District

Notes to Basic Financial Statements (continued)

Note 6 - Retirement Plans (continued)

FRS

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

Benefits Provided - Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit.

For Pension Plan members enrolled before July 1, 2011:

Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits.

Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011:

The vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular and Senior Management Service. Also, the final average compensation for all these members will be based on the eight highest years of salary.

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

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

Indian River Farms Water Control District
Notes to Basic Financial Statements (continued)

Note 6 - Retirement Plans (continued)

Contributions - Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2022 through June 30, 2023 and from July 1, 2023 through September 30, 2023, respectively, were as follows: Regular 11.91% and 10.19%; Senior Management Service 31.57% and 29.85%; and DROP participants 18.60% and 16.94%.

The District's contributions, including employee contributions, to the FRS totaled \$121,181 for the fiscal year ended September 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2023, the District reported a liability of \$763,912 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The District's proportionate share of the net pension liability was based on the District's 2022-2023 fiscal year contributions relative to the 2021-2022 fiscal year contributions of all participating members. At June 30, 2023, the District's proportionate share was .001917120%, which was an increase of .000193% from its proportionate share measured as of June 30, 2022.

For the fiscal year ended September 30, 2023, the District recognized pension expense of \$189,584. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 71,725	\$ -
Change of assumptions	49,798	-
Net difference between projected and actual earnings on pension plan investments	31,903	-
Changes in proportion and differences between district pension plan contributions and proportionate share of contributions	63,249	38,782
District pension plan contributions subsequent to the measurement date	24,004	-
Total	\$ 240,679	\$ 38,782

Indian River Farms Water Control District
Notes to Basic Financial Statements (continued)

Note 6 - Retirement Plans (continued)

The deferred outflows of resources related to the Pension Plan, totaling \$24,004 resulting from District contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Years Ending September 30:	
2023	\$ 33,565
2024	33,565
2025	33,565
2026	33,565
2027	33,565
Thereafter	\$ 10,068

Actuarial Assumptions - The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Inflation	2.40 %
Salary Increases	3.25%, average, including inflation
Investment Rate of Return	6.70%, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB2010 base table varies by member category and sex, projected generationally with Scale MP-2018 details in valuation report.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

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

Indian River Farms Water Control District
Notes to Basic Financial Statements (continued)

Note 6- Retirement Plans (continued)

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

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1.0%	2.9%	2.9%
Fixed Income	19.8%	4.5%	4.4%
Global Equity	54.0%	8.7%	7.1%
Real Estate	10.3%	7.6%	6.6%
Private Equity	11.1%	11.9%	8.8%
Strategic Investments	3.8%	6.3%	6.1%
Total	100.0%		
Assumed Inflation - Mean		2.4%	
(1) As outlined in the Pension Plan's investment policy			

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

Sensitivity of the District's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.70%) or one percentage point higher (7.70%) than the current rate:

	1% Decrease (5.70%)	Current (6.70%)	1% Increase (7.70%)
District's proportionate share of the net pension liability	\$ 1,304,919	\$ 763,913	\$ 311,297

Pension Plan Fiduciary Net Position - Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Indian River Farms Water Control District
Notes to Basic Financial Statements (continued)

Note 6 - Retirement Plans (continued)

HIS Plan

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

Benefits Provided - For the fiscal year ended September 30, 2023, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

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

The District's contributions to the HIS Plan totaled \$10,494 for the fiscal year ended September 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2023, the District reported a liability of \$243,212 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The District's proportionate share of the net pension liability was based on the District's 2022-23 fiscal year contributions relative to the 2021-22 fiscal year contributions of all participating members. At June 30, 2023, the District's proportionate share was .001531430%, which was an increase of .000163% from its proportionate share measured as of June 30, 2022.

Indian River Farms Water Control District
Notes to Basic Financial Statements (continued)

Note 6 - Retirement Plans (continued)

For the fiscal year ended September 30, 2023, the District recognized pension expense of \$94,107. In addition, the District reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,560	\$ 570
Change of assumptions	6,394	21,075
Net difference between projected and actual earnings on HIS plan investments	126	-
Changes in proportion and differences between district HIS plan contributions and proportionate share of contributions	16,218	15,301
District HIS plan contributions subsequent to the measurement date	2,992	-
Total	\$ 29,290	\$ 36,946

The deferred outflows of resources related to the HIS Plan, totaling \$2,992 resulting from District contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Years Ending September 30:	Amount
2023	\$ (1,690)
2024	(1,690)
2025	(1,690)
2026	(1,690)
2027	(1,690)
Thereafter	\$ (2,198)

Actuarial Assumptions - The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 %
Salary Increases	3.25 %, average, including inflation
Municipal Bond Rate	3.65 %

Indian River Farms Water Control District

Notes to Basic Financial Statements (continued)

Note 6 - Retirement Plans (continued)

Mortality rates were based on the Generational RUP-2010 with Projection Scale MP-2018 tables.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study of the FRS for the period July 1, 2013 through June 30, 2018.

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

Sensitivity of the District's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 3.65%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.65%) or one percentage point higher (4.65%) than the current rate:

	1% Decrease (2.65%)	Current (3.65%)	1% Increase (4.65%)
District's proportionate share of the net pension liability	\$ 277,467	\$ 243,212	\$ 214,817

HIS Plan Fiduciary Net Position - Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Investment Plan

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

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

Indian River Farms Water Control District

Notes to Basic Financial Statements (continued)

Note 6 - Retirement Plans (continued)

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

REQUIRED SUPPLEMENTARY INFORMATION

Indian River Farms Water Control District
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds Budget and Actual - General Fund
Year ended September 30, 2023

	Budgeted Amounts		Actual Amounts GAAP Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes, net of discounts	\$ 1,409,819	\$ 1,409,819	\$ 1,361,050	\$ (48,769)
Right of way rent	40,000	40,000	41,042	1,042
Interest	-	-	50,914	50,914
Other income	-	-	108,763	108,763
Total Revenues	1,449,819	1,449,819	1,561,769	111,950
Expenditures				
Water Control and Resource Management:				
Gas, diesel and oil	53,000	53,000	50,470	2,530
Labor	330,000	226,242	209,536	16,706
Salaries	311,950	368,950	406,823	(37,873)
Employee benefits	304,000	304,000	245,395	58,605
Repairs and maintenance	64,000	64,000	-	64,000
Supplies	31,000	31,000	33,070	(2,070)
Surveyor/permit	125,000	121,947	104,560	17,387
Spray materials and contract	185,000	171,545	293,303	(121,758)
Water analysis	6,000	6,000	4,680	1,320
Insurance	55,000	55,000	55,147	(147)
Professional fees	40,200	40,200	77,773	(37,573)
Miscellaneous	19,250	19,250	14,340	4,910
Office	22,000	22,000	23,791	(1,791)
Utilities and telephone	25,000	25,000	27,694	(2,694)
Mowing and tree removal	66,000	66,000	38,045	27,955
Contingency	300,000	174,685	-	174,685
	1,937,400	1,748,819	1,584,627	164,192
Capital Outlay	30,000	30,000	7,963	22,037
Total Expenditures	1,967,400	1,778,819	1,592,590	186,229
Excess of Expenditures over Revenues Before Other Financing Sources (Uses)	(517,581)	(329,000)	(30,821)	298,179
Other Financing Sources:				
Transfer From (To) Unappropriated Fund Balance	517,581	329,000	-	(329,000)
Total Other Financing Sources	517,581	329,000	-	(329,000)
Net Change in Fund Balance	\$ -	\$ -	(30,821)	\$ (30,821)
Fund Balance, beginning of year			2,872,274	
Fund Balance, end of year			\$ 2,841,453	

See accompanying notes to the basic financial statements.

Indian River Farms Water Control District
 Schedule of Revenues, Expenditures and Changes in Fund Balances -
 Governmental Funds Budget and Actual - Special Revenue Fund
 Year ended September 30, 2023

	Budgeted Amounts		Actual Amounts GAAP Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 245,581	\$ 245,344	\$ (237)
Total Revenues	-	245,581	245,344	(237)
Expenditures				
Water Control and Resource Management:				
Labor	-	103,758	103,758	-
Repairs and maintenance	-	125,315	125,078	237
Surveyor/permit	-	3,053	3,053	-
Spray materials and contract	-	13,455	13,455	-
Total Expenditures	-	245,581	245,344	237
Excess of Expenditures over Revenues Before Other Financing Sources (Uses)	-	-	-	-
Other Financing Sources:				
Transfer From (To) Unappropriated Fund Balance	-	-	-	-
Total Other Financing Sources	-	-	-	-
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance, beginning of year			-	
Fund Balance, end of year			\$ -	

See accompanying notes to the basic financial statements.

Indian River Farms Water Control District
Schedule of the District's Proportional Share of Net Pension Liability
Last 10 Fiscal Years

Florida Retirement System (FRS)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.001917120%	0.001723885%	0.001636510%	0.001817924%	0.001957825%	0.001879253%	0.001919217%	0.001841836%	0.001842199%	0.001498281%
District's proportionate share of the net pension liability	\$763,912	\$641,424	\$123,620	\$787,915	\$674,248	\$566,041	\$567,886	\$465,065	\$237,945	\$91,417
District's Covered-employee Payroll	\$632,188	\$517,348	\$500,981	\$496,368	\$575,482	\$543,641	\$528,670	\$485,748	\$460,957	\$412,661
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	120.84%	123.98%	24.68%	158.74%	117.16%	104.12%	107.42%	95.74%	51.62%	22.15%
Plan fiduciary net position as a percentage of the total pension liability	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

Health Insurance Subsidy (HIS)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.001531430%	0.001368225%	0.001366313%	0.001542578%	0.001627398%	0.001654998%	0.001647862%	0.001506079%	0.001493030%	0.001385670%
District's proportionate share of the net pension liability	\$243,212	\$144,917	\$167,599	\$188,346	\$182,090	\$175,167	\$176,197	\$175,527	\$152,266	\$129,563
District's Covered-employee Payroll	\$632,188	\$517,348	\$500,981	\$496,368	\$575,482	\$543,641	\$528,670	\$485,748	\$460,957	\$412,661
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	38.47%	28.01%	33.45%	37.94%	31.64%	32.22%	33.33%	36.14%	33.03%	31.40%
Plan fiduciary net position as a percentage of the total pension liability	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

Indian River Farms Water Control District
Schedule of the District Contributions
Last 10 Fiscal Years

Florida Retirement System (FRS)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 189,584	\$ 85,142	\$ 78,138	\$ 64,061	\$ 65,120	\$ 59,389	\$ 55,768	\$ 50,887	\$ 57,788	\$ 46,840
Contributions in relation to the contractually required contribution	(189,584)	(85,142)	(78,138)	(64,061)	(65,120)	(59,389)	(55,768)	(50,887)	(57,788)	(46,840)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$632,188	\$517,348	\$500,981	\$496,368	\$575,482	\$543,641	\$528,670	\$485,748	\$460,957	\$412,661
Contributions as a percentage of covered employee payroll	29.99%	16.46%	15.60%	12.91%	11.32%	10.92%	10.55%	10.48%	12.54%	11.35%

Health Insurance Subsidy (HIS)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 94,107	\$ 5,241	\$ 8,240	\$ 8,316	\$ 9,521	\$ 9,024	\$ 8,776	\$ 7,982	\$ 9,407	\$ 7,625
Contributions in relation to the contractually required contribution	(94,107)	(5,241)	(8,240)	(8,316)	(9,521)	(9,024)	(8,776)	(7,982)	(9,407)	(7,625)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 632,188	\$ 517,348	\$ 500,981	\$ 496,368	\$ 575,482	\$ 543,641	\$ 528,670	\$ 485,748	\$ 460,957	\$ 412,661
Contributions as a percentage of covered employee payroll	14.89%	1.01%	1.64%	1.68%	1.65%	1.66%	1.66%	1.64%	2.04%	1.85%



**Independent Auditors' 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
Indian River Farms Water Control District
Vero Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Indian River Farms 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 and have issued our report thereon dated June 24, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Indian River Farms Water Control 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Indian River Farms Water Control District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Indian River Farms Water Control 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described below as item 2023-001 that we consider to be significant deficiencies.

To the Board of Supervisors
Indian River Farms Water Control District
Vero Beach, Florida

Finding number 2023-001

Segregation of Duties

The limited size of the District's staff does not allow for proper segregation of duties in each phase of operations. This is not unusual in an organization of this size. Although segregation of duties is necessary for optimum efficiency in internal controls, management does not believe it is cost beneficial for the District. The high degree of involvement by the Board of Supervisors in the financial process also provides a degree of compensating control for this weakness.

Management Response

Due to the limited size of the staff and funding limitations, segregation of duties will continue to be a deficiency. The Board of Supervisors will continue to participate to a high degree in the financial process, which will compensate to some extent for the inherent control deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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 or other matters that are required to be reported under *Government Auditing Standards*.

Indian River Farms Water Control District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Indian River Farms Water Control District's response to the findings identified in our audit as described above. Indian River Farms Water Control District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



Kmetz, Elwell, Graham & Associates, PLLC
Certified Public Accountants
Vero Beach, Florida

June 24, 2024



Independent Accountant's Examination Report

To the Board of Supervisors
Indian River Farms Water Control District
Vero Beach, Florida

We have examined the Indian River Farms Water Control District's (the "District") compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies* for the year ended September 30, 2023. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the 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 the District's compliance with those requirements and performing such other procedures as we consider 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 the District's compliance with specified requirements.

In our opinion, the Indian River Farms 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 Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the District, its management, and is not intended to be and should not be used by anyone other than these specified parties. However, this letter is a matter of public record and its distribution is not limited.

Kmetz, Elwell, Graham & Associates

Kmetz, Elwell, Graham & Associates, PLLC
Certified Public Accountants
Vero Beach, Florida

June 24, 2024



Independent Auditors' Management Letter

To the Board of Supervisors
 Indian River Farms Water Control District
 Vero Beach, Florida

Report on the Financial Statements

We have audited the basic financial statements of the Indian River Farms Water Control District, as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated June 24, 2024.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' 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 Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 24, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The segregation of duties reportable condition noted in the prior three years has not been corrected.

Fiscal year 2019 – 2020	Finding # 2020 –1	Segregation of duties has not been corrected
Fiscal year 2020 – 2021	Finding # 2021 –1	Segregation of duties has not been corrected
Fiscal year 2021 – 2022	Finding # 2022 –1	Segregation of duties has not been corrected
Fiscal year 2022 – 2023	Finding # 2023 –1	Segregation of duties has not been corrected

To the Board of Supervisors
Indian River Farms Water Control District
Vero Beach, Florida

Financial Condition and Management

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

Pursuant to the Section 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Indian River Farms Water Control District. It is management's responsibility to monitor the Indian River Farms Water Control 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.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

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

Management has provided the specific information required by Section 218.39(3)(c), Florida Statutes, in the Management Discussion and Analysis report on page 9.

Purpose of the Letter

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



Kmetz, Elwell, Graham & Associates, PLLC
Certified Public Accountants
Vero Beach, Florida

June 24, 2024