

**INDIAN RIVER SOIL AND  
WATER CONSERVATION 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 Soil and Water Conservation District  
Vero Beach, Florida

**Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Indian River Soil and Water Conservation 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 Indian River Soil and Water Conservation 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, each major fund, and the aggregate remaining fund information of the Indian River Soil and Water Conservation 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 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 Indian River Soil and Water Conservation 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 these 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 Indian River Soil and Water Conservation 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 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 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 Indian River Soil and Water Conservation District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Indian River Soil and Water Conservation District's ability to continue as a going concern for a reasonable period of time.

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 6–10 and 22–23, respectively, 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 May 13, 2024, on our consideration of the Indian River Soil and Water Conservation 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 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 Indian River Soil and Water Conservation District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Indian River Soil and Water Conservation District's internal control over financial reporting and compliance.

*Kmetz, Elwell, Graham & Associates*

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

May 13, 2024

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

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

Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transaction, events, and conditions, it should be considered in conjunction with the District's financial statements and notes to financial statements found on pages 11 through 20.

Its intent is to provide a brief, objective and easily readable analysis of the District's financial performance for the year and its financial position at fiscal year-end September 30, 2023.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2022-23 fiscal year are as follows:

- The District's total net position, increased by \$4,886, which represents a 13% increase in total net position from the prior year.
- As of the close of the current fiscal year, the District's governmental funds reported a fund balance of \$42,967, an increase of \$4,886 in comparison with the prior year.
- During the current year, General Fund revenues were less than expenditures by \$6,786.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The basic financial statements consist of three components:

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

***Government-Wide Financial Statements***

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

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

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

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

***Fund Financial Statements***

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

***Governmental Funds***

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. This financial resources measurement focus allows the governmental fund statements to provide information on near term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year.

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

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

***Notes to Financial Statements***

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

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

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

*Major Governmental Funds*

**General Fund**

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unreserved fund balance was \$42,967, which equals the total fund balance. The unreserved total fund balance increased by \$4,886 during the year ended September 30, 2023.

**Special Revenue Fund**

The Special Revenue Funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. This fund accounts for grants disbursed to local agricultural producers to provide cost-share reimbursement for the implementation of water quality and quantity projects.

**CAPITAL ASSETS**

The District had no capital assets during the year ended September 30, 2023.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net assets may serve over time as a useful indicator of a government's financial position. The following is a summary of the District's net position as of September 30, 2023:

	Total Governmental Activities
<b>Assets</b>	
Cash and cash equivalents	\$ 96,814
<b>Total Assets</b>	<b>\$ 96,814</b>
<b>Liabilities</b>	
Deferred revenue	\$ 53,847
<b>Total Liabilities</b>	<b>53,847</b>
<b>Net Position</b>	
Unrestricted	42,967
<b>Total Net Position</b>	<b>\$ 42,967</b>

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

The key elements of the changes in the District's net position for the fiscal year ended September 30, 2023 are as follows:

<b>Revenues</b>	
Intergovernmental:	
State grant	\$ 145,102
Local	63,570
Interest income	119
<b>Total Revenues</b>	<b>208,791</b>
<b>Expenses</b>	
Grants and aids	133,430
Salaries	38,007
Benefits	20,862
Operating expenses	11,606
<b>Total Expenses</b>	<b>203,905</b>
<b>Change in Net Position</b>	<b>4,886</b>
<b>Net Position, beginning</b>	<b>38,081</b>
<b>Net Position, ending</b>	<b>\$ 42,967</b>

Other Information – Information required by Section 218.39(3)(c), Florida Statutes and Section 10.554(1)(i)(60), Rules of the Auditor General (unaudited):

Element	Comments
Number of district employees compensated at 9/30/2023	0
Number of independent contractors compensated in September 2023	0
Employee compensation for FYE 9/30/2023 (paid/accrued)	\$0
Independent contractor compensation for FYE 9/30/2023	\$0
Construction projects to begin on or after October 1; (>\$65K)	Not applicable
Budget variance report	See Required Supplementary Information
<b>Ad Valorem taxes:</b>	
Millage rate FYE 9/30/20XX	Not applicable
Ad valorem taxes collected FYE 9/30/20XX	Not applicable
Outstanding Bonds:	Not applicable
<b>Non ad valorem special assessments:</b>	
Special assessment rate FYE 9/30/2023	\$0
Special assessments collected FYE 9/30/2023	\$0
Outstanding Bonds:	Not applicable

## REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Indian River Soil and Water Conservation District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the, Indian River Soil and Water Conservation District, 1800 27<sup>th</sup> Street, Building B (2<sup>nd</sup> Floor) Vero Beach, FL 32960.

**Indian River Soil and Water Conservation District**  
Statement of Net Position

September 30, 2023

	Total Governmental Activities
<b>Assets</b>	
Cash and cash equivalents	\$ 96,814
<b>Total Assets</b>	<b>\$ 96,814</b>
<b>Liabilities</b>	
Deferred revenue	\$ 53,847
<b>Total Liabilities</b>	<b>53,847</b>
<b>Net Position</b>	
Unrestricted	42,967
<b>Total Net Position</b>	<b>\$ 42,967</b>

See accompanying notes to the basic financial statements.

**Indian River Soil and Water Conservation 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
<b>Governmental Activities:</b>					
Grants and aids	\$ 133,430	\$ -	\$ 145,102	\$ -	\$ 11,672
Salaries	38,007	-	38,007	-	-
Benefits	20,862	-	20,862	-	-
Operating	11,606	-	4,701	-	(6,905)
<b>Total Governmental Activities</b>	<b>\$ 203,905</b>	<b>\$ -</b>	<b>\$ 208,672</b>	<b>\$ -</b>	<b>4,767</b>
<b>General Revenues:</b>					
					119
					<u>119</u>
					<b>4,886</b>
					<u>38,081</u>
					<b>\$ 42,967</b>

See accompanying notes to the basic financial statements.

**Indian River Soil and Water Conservation District**  
 Balance Sheet - Governmental Funds

September 30, 2023

	Total General Fund	Total Special Revenue Fund	Total Governmental Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 42,967	\$ 53,847	\$ 96,814
<b>Total Assets</b>	<b>\$ 42,967</b>	<b>\$ 53,847</b>	<b>\$ 96,814</b>
<b>Liabilities</b>			
Deferred revenue	\$ -	\$ 53,847	\$ 53,847
<b>Total Liabilities</b>	<b>-</b>	<b>53,847</b>	<b>53,847</b>
Fund Balances:			
Unassigned	42,967	-	42,967
<b>Total Fund Balances</b>	<b>42,967</b>	<b>-</b>	<b>42,967</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 42,967</b>	<b>\$ 53,847</b>	<b>\$ 96,814</b>
Total Fund Balances			\$ 42,967
Amounts reported for governmental activities in the statement of net position is different because:			
There are no reportable differences.			-
Net Position of Governmental Activities			<u>\$ 42,967</u>

See accompanying notes to the basic financial statements.

**Indian River Soil and Water Conservation District**  
**Statement of Revenues, Expenditures and Changes in**  
**Fund Balances - Governmental Funds**

Year ended September 30, 2023

	Total General Fund	The Special Revenue Fund	Total Governmental Funds
<b>Revenues</b>			
Intergovernmental:			
State grant	\$ -	\$ 145,102	\$ 145,102
Local	63,570	-	63,570
Interest income	119	-	119
<b>Total Revenues</b>	<b>63,689</b>	<b>145,102</b>	<b>208,791</b>
<b>Expenditures</b>			
Grants and aids	-	133,430	133,430
Salaries	38,007	-	38,007
Benefits	20,862	-	20,862
Operating expenses	11,606	-	11,606
<b>Total Expenditures</b>	<b>70,475</b>	<b>133,430</b>	<b>203,905</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(6,786)</b>	<b>11,672</b>	<b>4,886</b>
<b>Other Financing Sources (Uses)</b>			
Transfers In	11,672	-	11,672
Transfers out	-	(11,672)	(11,672)
<b>Total Other Financing Sources (Uses)</b>	<b>11,672</b>	<b>(11,672)</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>4,886</b>	<b>-</b>	<b>4,886</b>
<b>Fund Balance, beginning of year</b>	<b>38,081</b>	<b>-</b>	<b>38,081</b>
<b>Fund Balance, end of year</b>	<b>\$ 42,967</b>	<b>\$ -</b>	<b>\$ 42,967</b>

See accompanying notes to the basic financial statements.

**Indian River Soil and Water Conservation 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

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<b>Net Change in Fund Balances - Governmental Funds</b>	<b>\$</b>	<b>4,886</b>
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Amounts reported for governmental activities in the statement of activities  
are different because:

There are no reportable differences.

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<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b>4,886</b>
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See accompanying notes to the basic financial statements.

**Indian River Soil and Water Conservation District**  
Notes to Basic Financial Statements  
September 30, 2023

**Note 1 – Summary of Significant Accounting Policies**

**General Information**

The Indian River Soil and Water Conservation District (the District) was organized in 1945, as a governmental sub-division of the State of Florida, and is authorized under Florida Statutes Chapter 582 for the purpose of developing a program of management and conservation of the soil, water and related natural resources of the County, and to promote and encourage the voluntary implementation of appropriate conservation and best management practices on privately owned land. A locally elected board of non-salaried public officials governs the District. The Indian River County Board of County Commissioners (BOCC) provides office space, some equipment, supplies, and salary for a Staff Assistant II. The District works in cooperation with the National Association of Conservation Districts (NACD), the United States Department of Agriculture Natural Resources Conservation Service (USDA/NRCS), Association of Florida Conservation Districts (AFCD), the Florida Department of Agriculture and Consumer Services (FDACS), University of Florida, IFAS, and Indian River Lagoon Council.

It is the responsibility of the Board to assist landowners or units of local government in modifying and improving local land use practices in order to meet the intent of Chapter 582.

**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). The government-wide and fund financial statements categorize primary activities as governmental. 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.

## **Indian River Soil and Water Conservation District**

Notes to Basic Financial Statements (continued)

### **Note 1 – Summary of Significant Accounting Policies** (continued)

#### **Basic Financial Statements - Government-wide Statements**

In the government-wide Statement of Net Position, the governmental activities columns, (a) are presented on a consolidated basis by column, (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 position is reported with only unrestricted net assets. When applicable, the District first utilizes restricted resources to finance qualifying activities.

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. Activities related to the promotion of conservation practices flow through the General Fund.

**Special Revenue Fund** - Used to account for specific revenue sources that are legally restricted to expenditures for specific purposes.

#### **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.

Governmental 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. 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.

## **Indian River Soil and Water Conservation District**

Notes to Basic Financial Statements (continued)

### **Note 1 – Summary of Significant Accounting Policies** (continued)

#### **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 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 does not constitute a violation of budgetary controls as long as total expenditures do not exceed total appropriations for the major fund.

#### **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.

#### **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.

#### **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 May 13, 2024, which is the date the financial statements were available to be issued.

#### **Deferred Revenue**

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grant funds have been recorded as deferred revenue because they have not met the criteria for recognition.

#### **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 no items that qualify for reporting in this category for the year ended September 30, 2023.

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 no items that qualify for reporting in this category for the year ended September 30, 2023.

## Indian River Soil and Water Conservation 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 had \$53,847 of deferred revenue restricted for the Florida Department of Agriculture and Consumer Services cost-share reimbursement grant 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.

#### **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.

## **Indian River Soil and Water Conservation District**

Notes to Basic Financial Statements (continued)

### **Note 2 – Cash and Cash Equivalents**

Cash and cash equivalents at September 30, 2023 consisted of \$96,814 maintained in local checking accounts and money market funds. This depository qualifies as a “public depositor”, as required by law, Florida Security for Public Deposits Act Chapter 280, Florida Statutes. All cash deposits of the District are classified as category one risk, which means they are insured and collateralized.

### **Note 3 – Risks and Uncertainties**

The District purchases insurance to insure itself against crime/dishonesty, terrorism and general.

### **Note 4 – Concentrations**

The Indian River County Board of County Commissioners (BOCC) provides office space, some equipment, supplies, and salary for a Staff Assistant II. For the fiscal year ending September 30, 2023, BOCC paid \$63,570 on behalf of the District.

### **Note 5 – Interfund Transfers**

Interfund transfers are used to return money to a fund that paid for good or services of another fund. Interfund balances at September 30, 2023, consisted of \$11,672 transferred for expenditures of the special revenue fund that were paid for by the general fund.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Indian River Soil and Water Conservation 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		
<b>Revenues</b>				
Intergovernmental	\$ 63,570	\$ 64,420	\$ 63,570	\$ (850)
Interest	-	-	119	119
<b>Total Revenues</b>	<b>63,570</b>	<b>64,420</b>	<b>63,689</b>	<b>(731)</b>
<b>Expenditures</b>				
Salaries	38,007	39,616	38,007	1,609
Benefits	20,862	21,286	20,862	424
Operating expenses	9,257	10,188	11,606	(1,418)
<b>Total Expenditures</b>	<b>68,126</b>	<b>71,090</b>	<b>70,475</b>	<b>615</b>
<b>Excess of Expenditures over Revenues Before Other Financing Sources (Uses)</b>	<b>(4,556)</b>	<b>(6,670)</b>	<b>(6,786)</b>	<b>(116)</b>
<b>Other Financing Sources (Uses):</b>				
Transfer From (To) Unappropriated Fund Balance	-	-	11,672	11,672
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>11,672</b>	<b>11,672</b>
<b>Net Change in Fund Balance</b>	<b>\$ (4,556)</b>	<b>\$ (6,670)</b>	<b>4,886</b>	<b>\$ 11,556</b>
<b>Fund Balance, beginning of year</b>			<b>38,081</b>	
<b>Fund Balance, end of year</b>			<b>\$ 42,967</b>	

See accompanying notes to the basic financial statements.

**Indian River Soil and Water Conservation 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		
<b>Revenues</b>				
Intergovernmental	\$ 100,000	\$ 145,102	\$ 145,102	\$ -
<b>Total Revenues</b>	100,000	145,102	145,102	-
<b>Expenditures</b>				
Grants and aids	95,444	138,432	133,430	5,002
<b>Total Expenditures</b>	95,444	138,432	133,430	5,002
<b>Excess of Revenues over Expenditures Before Other Financing Sources (Uses)</b>	4,556	6,670	11,672	5,002
<b>Other Financing Sources (Uses):</b>				
Transfer From (To) Unappropriated Fund Balance	-	-	(11,672)	11,672
<b>Total Other Financing Sources (Uses)</b>	-	-	(11,672)	11,672
<b>Net Change in Fund Balance</b>	<u>\$ 4,556</u>	<u>\$ 6,670</u>	-	<u>\$ 6,670</u>
<b>Fund Balance, beginning of year</b>			-	
<b>Fund Balance, end of year</b>			<u>\$ -</u>	

See accompanying notes to the basic financial statements.



**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 Soil and Water Conservation 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 and each major fund information of the Indian River Soil and Water Conservation 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 May 13, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Indian River Soil and Water Conservation 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 Soil and Water Conservation District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Indian River Soil and Water Conservation 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.

## **Finding number 2023-001**

### **Segregation of Duties**

Criteria: Proper internal controls require that an entity has adequate segregation of duties within significant accounting processes. Employee duties should be adequately separated between the authorization, custody and record keeping processes.

Condition: There is only one person in the accounting department. We observed inadequate segregation of duties by performing walkthroughs of the handling of receipts and disbursements, and through interviews of personnel and management.

Effect: One individual controls transactions from beginning to conclusion.

Cause: The District does not have adequate financial resources to hire additional personnel to reassign responsibilities in such a way that different employees handle different portions of a transaction.

Recommendation: The Board of Supervisors should exercise a high degree of involvement in the financial process to provide a degree of compensating controls 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 showed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Indian River Soil and Water Conservation District's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Indian River Soil and Water Conservation District's response to the findings identified in our audit as described above. Indian River Soil and Water Conservation 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*

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

May 13, 2024



**Independent Accountant's Examination Report**

Honorable Board of Supervisors  
Indian River Soil & Water Conservation District  
Vero Beach, FL 32960

We have examined the Indian River Soil & Water Conservation 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 Soil & Water Conservation 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, PLLC  
Certified Public Accountants  
Vero Beach, Florida

May 13, 2024



To the Board of Supervisors  
Indian River Soil and Water Conservation District

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

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, 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's 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

May 13, 2024