

**North St. Lucie River Water Control District**

**FINANCIAL STATEMENTS**

**September 30, 2023**

**North St. Lucie River Water Control District**

**FINANCIAL STATEMENTS**

**September 30, 2023**

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## REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors  
North St. Lucie River Water Control District  
Fort Pierce, Florida

### Report on Audit of the Financial Statements

#### *Opinion*

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of North St. Lucie River Water Control District as of September 30, 2023, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

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

#### *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.

To the Board of Supervisors  
North St. Lucie River Water Control District

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 one year beyond the financial statement date, including currently known information that may raise substantial doubt thereafter.

### ***Auditor's Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS and *Government Auditing Standards*, we:

- Exercise professional judgement 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 judgement, 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.

To the Board of Supervisors  
North St. Lucie River Water Control District

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Schedule of Employer Proportionate Share of Net Pension Liability – Florida Retirement System Pension Plan, Schedule of Employer Contributions – Florida Retirement System Pension Plan, Schedule of Employer Proportionate of Net Pension Plan – Health Insurance Subsidy Pension Plan and the Schedule of Employer Contributions – Health Insurance Subsidy Pension Plan, 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 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 a report dated February 19, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts.

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 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 North St. Lucie River Water Control District's internal control over financial reporting and compliance.

*Berger Toombs Elam  
Gaines + Frank*

Berger, Toombs, Elam, Gaines & Frank  
Certified Public Accountants PL  
Fort Pierce, Florida

February 19, 2024

**North St. Lucie River Water Control District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2023**

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The District's basic financial statements comprise three components; 1) *Government-wide financial statements*, 2) *Fund financial statements*, and 3) *Notes to financial statements*. The *Government-wide financial statements* present an overall picture of the District's financial position and results of operations. The *Fund financial statements* present financial information for the District's major funds. The *Notes to financial statements* provide additional information concerning the District's finances.

The Government-wide financial statements are the **statement of net position** and the **statement of activities**. These statements use accounting methods similar to those used by private-sector companies. Emphasis is placed on the net position of governmental activities and the change in net position. Governmental activities are primarily supported by special assessments.

The **statement of net position** presents information on all assets and liabilities of the District, with the difference between assets and liabilities reported as net position. Net position is reported in two categories; 1) net investment in capital assets and 2) unrestricted. Assets, liabilities, and net position are reported for all Governmental activities.

The **statement of activities** presents information on all revenues and expenses of the District and the change in net position. Expenses are reported by major function and program revenues relating to those functions are reported, providing the net cost of all functions provided by the District. The Governmental activities financed by the District include general government and physical environment activities.

Fund financial statements present financial information for governmental funds. These statements provide financial information for the major funds of the District. Governmental fund financial statements provide information on the current assets and liabilities of the funds, changes in current financial resources (revenues and expenditures), and current available resources.

Fund financial statements include a **balance sheet** and a **statement of revenues, expenditures and changes in fund balances** for all governmental funds. A **statement of revenues, expenditures, and changes in fund balances – budget and actual**, is provided for the District's General Fund. Fund financial statements provide more detailed information about the District's activities.

The government-wide financial statements and the fund financial statements provide different pictures of the District. The government-wide financial statements provide an overall picture of the District's financial standing. These statements are comparable to private-sector companies and give a good understanding of the District's overall financial health and how the District paid for the various activities, or functions, provided by the District.

**North St. Lucie River Water Control District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2023**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

All assets of the District, including capital assets are reported in the **statement of net position**. The **statement of activities** includes depreciation on all long lived assets of the District. The fund financial statements provide a picture of the funds of the District. In the case of governmental activities, outlays for long lived assets are reported as expenditures. To provide a link from the fund financial statements to the government-wide financial statements, reconciliation is provided from the fund financial statements to the government-wide financial statements.

Notes to financial statements provide additional details concerning the financial activities and financial balances of the District.

**Financial Highlights**

The following are the highlights of financial activity for the year ended September 30, 2023.

- The District's total assets and deferred outflows exceeded total liabilities and deferred inflows by \$2,380,475 (net position). Unrestricted net position for Governmental Activities was \$1,245,031. Net investment in capital assets for Governmental Activities was \$1,135,444.
- Governmental activities revenues totaled \$1,703,399, while governmental activities expenses totaled \$1,648,249.

**North St. Lucie River Water Control District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2023**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Financial Analysis of the District**

The following schedule provides a summary of the assets, liabilities and net position of the District and is presented by category for comparison purposes.

	<b><u>Net Position</u></b>	
	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Current assets	\$ 1,507,687	\$ 1,323,876
Capital assets, net	1,135,444	1,200,539
Total Assets	<u>2,643,131</u>	<u>2,524,415</u>
Deferred outflows of resources	<u>38,654</u>	<u>45,045</u>
Current liabilities	130,657	94,933
Non-current liabilities	<u>160,668</u>	<u>139,648</u>
Total Liabilities	<u>291,325</u>	<u>234,581</u>
Deferred inflows of resources	<u>9,985</u>	<u>9,554</u>
Net investment in capital assets	1,135,444	1,200,539
Net position - unrestricted	<u>1,245,031</u>	<u>1,124,786</u>
Total Net Position	<u>\$ 2,380,475</u>	<u>\$ 2,325,325</u>

The increase in current assets is related to revenues exceeding expenditures at the fund level in the current year.

The decrease in capital assets is due to depreciation in the current period.

The increase in current liabilities is related to the increase in unearned revenues in the current year.

The increase in noncurrent liabilities is related to the increase in the pension liability.



**North St. Lucie River Water Control District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2023**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Financial Analysis of the District (Continued)**

The following schedule provides a summary of the changes in net position of the District and is presented by category for comparison purposes.

	<b><u>Changes in Net Position</u></b>	
	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Program Revenues		
Charges for services	\$ 1,275,840	\$ 1,195,197
Operating grants	264,981	513,419
General Revenues		
Licenses and permits	120,720	171,900
Interest	29,858	2,711
Miscellaneous	12,000	12,000
Total Revenues	<u>1,703,399</u>	<u>1,895,227</u>
Expenses		
General government	222,798	-
Physical environment	1,425,451	1,914,420
Total Expenses	<u>1,648,249</u>	<u>1,914,420</u>
Change in Net Position	55,150	(19,193)
Net Position - Beginning of Year	<u>2,325,325</u>	<u>2,344,518</u>
Net Position - End of Year	<u><u>\$ 2,380,475</u></u>	<u><u>\$ 2,325,325</u></u>

The increase in charges for services is related to the increase in special assessments in the current year.

The decrease in operating grants was related to the decrease in grants received in the current year.

The decrease in licenses and permits is related to the increase in unearned revenues in the current year.

The decrease in total expenses is related to the decrease in grant expenses in the current year.

**North St. Lucie River Water Control District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2023**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Capital Assets Activity**

The following schedule provides a summary of the District's capital assets as of September 30, 2023 and 2022.

<u>Description</u>	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Land and improvements	\$ 222,603	\$ 222,603
Construction in progress	5,000	-
Building and improvements	279,887	279,887
Infrastructure	6,558,489	6,558,489
Equipment	74,043	74,043
Less: accumulated depreciation	<u>(6,004,578)</u>	<u>(5,934,483)</u>
Total Capital Assets (Net)	<u>\$ 1,135,444</u>	<u>\$ 1,200,539</u>

During the year, depreciation was \$70,095 and additions to construction in progress was \$5,000.

**General Fund Budgetary Highlights**

The September 30, 2023 budget was amended to reflect actual expenditures.

**Economic Factors and Next Year's Budget**

North St. Lucie River Water Control District does not expect any economic factors to have any significant effect on the financial position or results of operations of the District in fiscal year 2024.

**Request for Information**

The financial report is designed to provide a general overview of North St. Lucie River Water Control District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the North St. Lucie River Water Control District, 14666 Orange Avenue, Fort Pierce, Florida 34945.

**North St. Lucie River Water Control District**  
**STATEMENT OF NET POSITION**  
**September 30, 2023**

	<b>Governmental Activities</b>
<b>Assets</b>	
Current Assets	
Cash and equivalents	\$ 1,495,357
Accounts receivable	12,330
Total Current Assets	1,507,687
Non-Current Assets	
Capital assets, not being depreciated	
Construction in progress	5,000
Land and improvements	222,603
Capital assets, being depreciated	
Buildings and improvements	279,887
Infrastructure	6,558,489
Equipment	74,043
Less: accumulated depreciation	(6,004,578)
Total Non-Current Assets	1,135,444
Total Assets	2,643,131
 <b>Deferred Outflows of Resources</b>	
Deferred outflows-pension related	38,654
 <b>Liabilities</b>	
Current Liabilities	
Accounts payable	3,182
Unearned revenues	127,475
Total Current Liabilities	130,657
Noncurrent Liabilities	
Pension liability	160,668
Total Liabilities	291,325
 <b>Deferred Inflows of Resources</b>	
Deferred inflows-pension related	9,985
 <b>Net Position</b>	
Net investment in capital assets	1,135,444
Unrestricted	1,245,031
Total Net Position	\$ 2,380,475

See accompanying notes to financial statements.

**North St. Lucie River Water Control District**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2023**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		<b>Net (Expense) Revenues and Changes in Net Position</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Governmental Activities</b>
<b>Primary Government</b>				
Governmental Activities				
General government	\$ (222,798)	\$ 183,353	\$ -	\$ (39,445)
Physical environment	(1,425,451)	1,092,487	264,981	(67,983)
Total Governmental Activities	\$ (1,648,249)	\$ 1,275,840	\$ 264,981	(107,428)
<b>General Revenues</b>				
				120,720
				29,858
				12,000
				162,578
				55,150
				2,325,325
				\$ 2,380,475

See accompanying notes to financial statements.

**North St. Lucie River Water Control District**  
**BALANCE SHEET – GENERAL FUND**  
**September 30, 2023**

Assets	
Cash and equivalents	\$ 1,495,357
Accounts receivable	<u>12,330</u>
Total Assets	<u><u>\$ 1,507,687</u></u>
Liabilities and Fund Balances	
Liabilities	
Accounts payable	\$ 3,182
Unearned revenues	<u>127,475</u>
Total Liabilities	<u>130,657</u>
Fund Balances	
Unassigned	<u>1,377,030</u>
Total Liabilities and Fund Balances	<u><u>\$ 1,507,687</u></u>

See accompanying notes to financial statements.

**North St. Lucie River Water Control District  
RECONCILIATION OF GENERAL FUND BALANCE TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
September 30, 2023**

Total Governmental Fund Balances	\$ 1,377,030
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets (construction in progress, \$5,000, land and improvements, \$222,603, buildings and improvements, \$279,887, infrastructure, \$6,558,489, and equipment, \$74,043, net of accumulated depreciation, \$(6,004,578)), used in governmental activities are not current financial resources and therefore, are not reported at the fund level.	1,135,444
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On the Statement of Net Position, the District's proportionate share of the net pension liability of the cost-sharing defined benefit pension plans which the District participates is reported as a noncurrent liability.	(160,668)
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Deferred outflows of resources related to pension are not current resources and are, therefore, reported on the Statement of Net Position and not the fund level statements.	38,654
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Deferred inflows of resources related to pension are reported on the Statement of Net Position and not the fund level statements.	<u>(9,985)</u>
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Net Position of Governmental Activities	<u><u>\$ 2,380,475</u></u>
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See accompanying notes to financial statements.

**North St. Lucie River Water Control District**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES – GENERAL FUND**  
**For the Year Ended September 30, 2023**

Revenues	
Special assessments	\$ 1,275,840
Licenses and permits	120,720
Intergovernmental revenues	264,981
Interest	29,858
Miscellaneous revenues	12,000
Total Revenues	<u>1,703,399</u>
Expenditures	
Current	
General government	222,798
Physical environment	1,327,514
Capital outlay	5,000
Total Expenditures	<u>1,555,312</u>
Net Change in Fund Balances	148,087
Fund Balance - October 1, 2022	<u>1,228,943</u>
Fund Balance - September 30, 2023	<u><u>\$ 1,377,030</u></u>

See accompanying notes to financial statements.

**North St. Lucie River Water Control District  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE OF  
THE GENERAL FUND TO THE STATEMENT OF ACTIVITIES  
For the Year Ended September 30, 2023**

Net Change in Fund Balances \$ 148,087

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation. This is the amount that depreciation, \$(70,095), exceeds capital outlay, \$5,000, in the current period. (65,095)

Governmental funds report contributions to defined benefit plans as expenditures. However, in the Statement of Activities, the amount contributed to defined benefit plans reduces future net pension liability and is reported as part of deferred outflows of resources. (27,411)

In the Statement of Activities, pension expense is recorded for the District's proportionate share of collective pension expense of the cost-sharing defined benefit plans in which the District participates. Also, included in the pension expense are amounts required to be amortized in accordance with GASB Statement No. 68. (431)

Change in Net Position of Governmental Activities \$ 55,150

See accompanying notes to financial statements.



**North St. Lucie River Water Control District**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCES – BUDGET AND ACTUAL – GENERAL FUND**  
**For the Year Ended September 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Special assessments	\$ 1,284,765	\$ 1,276,781	\$ 1,275,840	\$ (941)
Licenses and permits	150,000	114,245	120,720	6,475
Intergovernmental revenues	485,000	264,980	264,981	1
Interest	1,500	29,858	29,858	-
Miscellaneous revenues	12,000	12,000	12,000	-
Total Revenues	<u>1,933,265</u>	<u>1,697,864</u>	<u>1,703,399</u>	<u>5,535</u>
Expenditures				
Current				
General government	179,450	223,022	222,798	224
Physical environment	1,699,750	1,333,067	1,327,514	5,553
Capital outlay	-	-	5,000	(5,000)
Total Expenditures	<u>1,879,200</u>	<u>1,556,089</u>	<u>1,555,312</u>	<u>777</u>
Net Change in Fund Balances	54,065	141,775	148,087	6,312
Fund Balance - October 1, 2022	<u>-</u>	<u>-</u>	<u>1,228,943</u>	<u>1,228,943</u>
Fund Balance - September 30, 2023	<u>\$ 54,065</u>	<u>\$ 141,775</u>	<u>\$ 1,377,030</u>	<u>\$ 1,235,255</u>

See accompanying notes to financial statements.

**North St. Lucie River Water Control District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2023**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's more significant accounting policies are described below.

**1. Reporting Entity**

The North St. Lucie River Water Control District (the "District") is a special district as defined by the laws of Florida, and is located in St. Lucie County, Florida. The District was re-created by Chapter 2013 -257, Laws of Florida, as a public corporation and operates under Chapters 189 and 298, Florida Statutes, and consists of landowners who receive the benefit of water management and are assessed taxes for the maintenance and operation of the areas within District boundaries.

As required by GAAP, these financial statements present North St. Lucie River Water Control District (the primary government) as a stand-alone government. The reporting entity for the District includes all functions of government in which the District's Board 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.

Based upon the application of the above-mentioned criteria as set forth in Governmental Accounting Standards Board Statements, the District has identified no component units.

**2. Measurement Focus and Basis of Accounting**

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

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

**a. Government-wide Financial Statements**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Government-wide financial statements report all non-fiduciary information about the reporting government as a whole.

**North St. Lucie River Water Control District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2023**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2. Measurement Focus and Basis of Accounting (Continued)**

**a. Government-wide Financial Statements (Continued)**

Governmental activities are supported by special assessments, licenses and permits. Program revenues include payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program. Amounts paid to acquire capital assets are capitalized as assets, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as an other financing source.

Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

**b. Fund Financial Statements**

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

Fund financial statements for the primary government's governmental funds are presented after the government-wide financial statements. These statements display information about major funds individually.

**Governmental Funds**

When both restricted and unrestricted resources are combined in a fund, qualified expenses are considered to be paid first from restricted resources, and then from unrestricted resources. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collected within the current period, or soon thereafter, to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

**North St. Lucie River Water Control District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2023**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2. Measurement Focus and Basis of Accounting (Continued)**

**b. Fund Financial Statements (Continued)**

**Governmental Funds (Continued)**

Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of “available spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets.

**3. Basis of Presentation**

**a. Governmental Major Funds**

General Fund – The General Fund is the District’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**b. Non-current Governmental Assets/Liabilities**

GASB Statement 34 requires that non-current governmental assets, such as buildings and improvements be reported in the governmental activities column in the government-wide Statement of Net Position.

**North St. Lucie River Water Control District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2023**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4. Assets, Liabilities, and Net Position or Equity**

**a. 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 from 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.

The District is authorized to invest in those financial instruments as established by Section 218.415, Florida Statutes. The authorized investments consist of:

1. Direct obligations of the United States Treasury;
2. The Local Government Surplus Funds Trust or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperative Act of 1969;
3. Interest-bearing time deposits or savings accounts in authorized qualified public depositories;
4. Securities and Exchange Commission, registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

**b. Capital Assets**

Capital assets, which include land and improvements, buildings and improvements, infrastructure and equipment, are reported in the governmental activities column.

The District defines capital assets as assets with an initial, individual cost of \$1,000 or more and an estimated useful life in excess of one year. The valuation basis for all assets is historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation of capital assets is computed and recorded by utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows:

Buildings and improvements	15-30 years
Infrastructure	3-20 years
Equipment	3-15 years

**North St. Lucie River Water Control District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2023**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4. Assets, Liabilities, and Net Position or Equity (Continued)**

**c. Budgets**

Budgets are prepared and adopted after public hearings for the general fund, pursuant to Chapter 189, Florida Statutes. The District utilizes the same basis of accounting for budgets as it does for revenues and expenditures in its various funds. The legal level of budgetary control is at the fund level. All budgeted appropriations lapse at year end. As a result, deficits in the budget columns of the accompanying financial statements may occur. A formal budget is adopted for the general fund.

**d. Governmental Fund Balance**

The District classifies fund balance according to GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Governmental fund balances are reported within fund balance classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purpose for which amounts in those funds can be spent. The classifications include non-spendable, restricted, committed, assigned and unassigned.

*Non-Spendable Fund Balance* – This classification is either not in spendable form or is legally or contractually required to remain intact.

*Restricted Fund Balance* – This classification includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

*Committed Fund Balance* – This classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority.

*Assigned Fund Balance* – This classification is intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.

*Unassigned Fund Balance* – This classification is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. Unassigned fund balance is considered to be utilized first when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

**North St. Lucie River Water Control District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2023**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4. Assets, Liabilities, and Net Position or Equity (Continued)**

**e. Compensated Absences**

The District has a personal day policy which states that the personal days allowed are required to be used prior to the end of the fiscal year, therefore, there is no accrued compensated balance at September 30, 2023.

**f. Pensions**

In the government-wide statement of net position, liabilities are recognized for the District's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan and additions to/deduction from the FRS and the HIS fiduciary net position have been determined on the same basis as they are reported by the FRS and the HIS plans. For this purpose, defined benefit payments (including refund of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

**NOTE B – CASH AND EQUIVALENTS**

All deposits are held in qualified public depositories and are included on the accompanying balance sheet as cash and equivalents.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk; however, they follow the provisions of Chapter 280, Florida Statutes, regarding deposits and investments. As of September 30, 2023, the District's bank balance was \$1,563,119 and the carrying value was \$1,495,357. Exposure to custodial credit risk was as follows: Cash and equivalents are deposited in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured or collateralized under Chapter 280, Florida Statutes.

The District had no investments in the year ended September 30, 2023.

**North St. Lucie River Water Control District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2023**

**NOTE C – CAPITAL ASSETS**

Capital Asset activity for the year ended September 30, 2023 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental Activities:</u>				
Land and improvements	\$ 222,603	\$ -	\$ -	\$ 222,603
Construction in progress	-	5,000	-	5,000
Buildings and improvements	279,887	-	-	279,887
Infrastructure	6,558,489	-	-	6,558,489
Equipment	74,043	-	-	74,043
Total Capital Assets	<u>7,135,022</u>	<u>5,000</u>	<u>-</u>	<u>7,140,022</u>
Less: accumulated depreciation for:				
Buildings and improvements	(141,842)	(9,630)	-	(151,472)
Infrastructure	(5,749,105)	(52,342)	-	(5,801,447)
Equipment	(43,536)	(8,123)	-	(51,659)
Total Accumulated Depreciation	<u>(5,934,483)</u>	<u>(70,095)</u>	<u>-</u>	<u>(6,004,578)</u>
Total Capital Assets, net	<u>\$ 1,200,539</u>	<u>\$ (65,095)</u>	<u>\$ -</u>	<u>\$ 1,135,444</u>

Depreciation of \$70,095 was charged to physical environment.



**North St. Lucie River Water Control District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2023**

**NOTE D – SPECIAL ASSESSMENT REVENUES**

Special assessment revenues recognized for the 2022-2023 fiscal year were levied in October 2022. All taxes are due and payable on November 1 or as soon as the assessment roll is certified and delivered to the Tax Collector. Per Section 197.162, Florida Statutes, discounts are allowed for early payment at the rate of 4% in November, 3% in December, 2% in January, and 1% in February. Taxes paid in March are without discount.

All unpaid taxes become delinquent as of April 1. Unpaid taxes are collected via the sale of tax certificates on or prior to, June 1; therefore, there were no material taxes receivable at fiscal year end.

**NOTE E – FLORIDA RETIREMENT SYSTEM**

General Information about the Florida Retirement System

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

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

The District's pension expense totaled \$43,895 for the fiscal year ended September 30, 2023.

**North St. Lucie River Water Control District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2023**

**NOTE E – FLORIDA RETIREMENT SYSTEM (CONTINUED)**

FRS Pension Plan

Plan Description. The FRS Pension Plan (the “Plan”) is a cost-sharing multiple-employer defined benefit pension plan, with DROP for eligible employees. The general classes of membership are as follows: *Regular Class* – Members of the FRS who do not qualify for membership in the other classes and *Senior Management Service Class (SMSC)* – Members in senior management level positions.

Employees enrolled in the Plan prior to July 1, 2011 vest at 6 years of creditable service, and employees enrolled in the Plan on or after July 1, 2011 vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of the Plan may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

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

Benefits Provided. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation.

For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years’ earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years’ earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors’ benefits. The following chart shows the percentage value for each year of service credit earned:

**North St. Lucie River Water Control District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2023**

**NOTE E – FLORIDA RETIREMENT SYSTEM (CONTINUED)**

<i>Class, Initial Enrollment, and Retirement Age/Years of Service</i>	<i>% Value</i>
<i>Regular Class members initially enrolled before July 1, 2011</i>	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
<i>Regular Class members initially enrolled after July 1, 2011</i>	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
<i>Elected County Officers</i>	3.00
<i>Senior Management Service Class</i>	2.00

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

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2022-23 fiscal year were as follows:

Class	July 1, 2022		July 1, 2023	
	Percent of Gross Salary		Percent of Gross Salary	
	Employee	Employer (1)	Employee	Employer (1)
FRS, Regular	3.00%	11.91%	3.00%	13.57%

Notes: (1) Employer rates include 1.66 percent and 2.00 percent for the postemployment health insurance subsidy for the period October 1, 2022 through June 30, 2023 and July 1, 2023 through September 30, 2023, respectively. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the investment plan.

(2) Contribution rates are dependent upon retirement class in which reemployed.

The District's contributions to the Plan totaled \$13,780 for the fiscal year ended September 30, 2023.

**North St. Lucie River Water Control District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2023**

**NOTE E – FLORIDA RETIREMENT SYSTEM (CONTINUED)**

*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 \$108,939 for its proportionate share of the 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, 2023. 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 .000273394 percent, which was an decrease of 0.0000013 percent from its proportionate share measured as of June 30, 2022.

For the fiscal year ended September 30, 2023, the District recognized pension expense of \$24,633 related to the Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 10,228	\$ -
Change of assumptions	7,102	-
Net difference between projected and actual earnings on Pension Plan investments	4,550	-
Changes in proportion and differences between the District's Pension Plan contributions and proportionate share of contributions	7,755	(1,637)
District's Pension Plan contributions subsequent to the measurement date	3,749	-
Total	<u>\$ 33,384</u>	<u>\$ (1,637)</u>

**North St. Lucie River Water Control District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2023**

**NOTE E – FLORIDA RETIREMENT SYSTEM (CONTINUED)**

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. (Continued)*

The deferred outflows of resources related to pensions, totaling \$3,749, 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to change of assumptions for pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending September 30,</u>	<u>Amount</u>
2024	\$ 4,928
2025	752
2026	19,867
2027	1,985
2028	466
Thereafter	-

*Actuarial Assumptions.* The total pension liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Inflation	2.40 percent
Salary increases	3.25 percent, average, including inflation
Investment rate of return	6.70 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB2010 base table with Scale MP-2018.

The actuarial assumptions used in the July 1, 2022, valuation were based on the results of an actuarial experience study dated December 20, 2019.

**North St. Lucie River Water Control District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2023**

**NOTE E – FLORIDA RETIREMENT SYSTEM (CONTINUED)**

Actuarial Assumptions. (Continued)

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

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.9%	2.9%	1.1%
Fixed income	19.8%	4.5%	4.4%	3.4%
Global equity	54.0%	8.7%	7.1%	18.1%
Real estate	10.3%	7.6%	6.6%	14.8%
Private equity	11.1%	11.9%	8.8%	26.3%
Strategic investments	3.8%	6.3%	6.1%	7.7%
Total	<u>100.00%</u>			
Assumed Inflation - Mean			2.4%	1.4%

(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 percent. The 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 calculating the total pension liability is equal to the long-term expected rate of return.

**North St. Lucie River Water Control District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2023**

**NOTE E – FLORIDA RETIREMENT SYSTEM (CONTINUED)**

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:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
	<b>5.70%</b>	<b>6.70%</b>	<b>7.70%</b>
District's proportionate share of the net pension liability	\$ 186,090	\$ 108,939	\$ 44,393

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

**HIS Pension Plan**

Plan Description. The HIS Pension Plan (HIS Plan) is a non-qualified, 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 and surviving beneficiaries of State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services.

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

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2023, the HIS contribution for the period October 1, 2022 through June 30, 2023 and from July 1, 2023 through September 30, 2023 was 1.66% and 2.0%, respectively. 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.

**North St. Lucie River Water Control District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2023**

**NOTE E – FLORIDA RETIREMENT SYSTEM (CONTINUED)**

The District's contributions to the HIS Plan totaled \$2,273 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 net pension liability of \$51,729 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 total 2022-23 fiscal year contributions of all participating members. At June 30, 2023, the District's proportionate share was 0.000325722 percent, which was a decrease of 0.0000028 percent from its proportionate share measured as of June 30, 2022.

For the fiscal year ended September 30, 2023, the District recognized pension expenses of \$19,262 related to the HIS Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 757	\$ (121)
Change of assumptions	1,360	(4,482)
Net difference between projected and actual earnings on HIS Plan investments	27	-
Changes in proportion and differences between the District's HIS Plan contributions and proportionate share of contributions	2,475	(3,745)
District's HIS Plan contributions subsequent to the measurement date	651	-
Total	<u>\$ 5,270</u>	<u>\$ (8,348)</u>



**North St. Lucie River Water Control District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2023**

**NOTE E – FLORIDA RETIREMENT SYSTEM (CONTINUED)**

The deferred outflows of resources related to pensions, totaling \$641 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 change of assumptions for pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending September 30,</u>	<u>Amount</u>
2024	\$ (555)
2025	(449)
2026	(678)
2027	(1,022)
2028	(842)
Thereafter	(183)

Actuarial Assumptions. The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary increases	3.25 percent, average, including inflation
Municipal bond rate	3.65 percent

Mortality rates were based on the Generational RP-2000 with Projected Scale BB. The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study date December 20, 2019.

Discount Rate. The discount rate used to measure the total pension liability was 3.65 percent. 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.

**North St. Lucie River Water Control District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2023**

**NOTE E – FLORIDA RETIREMENT SYSTEM (CONTINUED)**

Sensitivity of the District's Proportionate Share of the Net Pension 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 2.16%, 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:

	<b>1% Decrease 2.65%</b>	<b>Current Discount Rate 3.65%</b>	<b>1% Increase 4.65%</b>
District's proportionate share of the net pension liability	\$ 59,015	\$ 51,729	\$ 45,690

HIS Pension Plan Fiduciary Net Position. Detailed information about 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.

**NOTE F – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance coverage to cover the various risks. There have been no significant reductions in insurance coverage and there were no settled claims which exceeded insurance coverage in the last three years.

**Required Supplementary Information**

**NORTH ST. LUCIE RIVER WATER CONTROL DISTRICT  
SCHEDULE OF EMPLOYER PROPORTIONATE SHARE OF NET PENSION LIABILITY –  
FLORIDA RETIREMENT SYSTEM PENSION PLAN  
September 30, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability *	0.000273%	0.000275%	0.000260%	0.000226%	0.000242%	0.000240%	0.000236%	0.000239%	0.000245%	0.0002454%
District's proportionate share of the net pension liability *	\$ 108,939	\$ 102,215	\$ 19,675	\$ 97,838	\$ 83,336	\$ 72,406	\$ 69,685	\$ 60,285	\$ 31,590	\$ 14,971
District's covered payroll *	130,250	106,258	99,950	111,736	115,500	112,350	107,000	105,190	99,048	98,000
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	83.64%	96.20%	19.68%	87.56%	72.15%	64.45%	65.13%	57.31%	31.89%	15.28%
Plan fiduciary net position as a percentage of the total pension liability	82.38%	82.89%	96.40%	78.85%	82.61%	84.27%	83.89%	84.88%	92.00%	96.09%

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

**NORTH ST. LUCIE RIVER WATER CONTROL DISTRICT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS –  
FLORIDA RETIREMENT SYSTEM PENSION PLAN  
September 30, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 13,780	\$ 11,722	\$ 9,923	\$ 8,026	\$ 7,684	\$ 7,104	\$ 6,335	\$ 5,932	\$ 5,607	\$ 5,732
Contributions in relation to the contractually required contribution	<u>(13,780)</u>	<u>(11,722)</u>	<u>(9,923)</u>	<u>(8,026)</u>	<u>(7,684)</u>	<u>(7,104)</u>	<u>(6,335)</u>	<u>(5,932)</u>	<u>(5,607)</u>	<u>(5,732)</u>
Contributions deficiency/(excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 130,250	\$ 106,258	\$ 99,950	\$ 111,736	\$ 115,500	\$ 112,350	\$ 107,000	\$ 105,190	\$ 99,048	\$ 98,000
Contributions as a percentage of covered-employee payroll	10.58%	11.03%	9.93%	7.18%	6.65%	6.32%	5.92%	5.64%	5.66%	5.85%

See accompanying notes to required supplementary information.

**NORTH ST. LUCIE RIVER WATER CONTROL DISTRICT  
SCHEDULE OF EMPLOYER PROPORTIONATE SHARE OF NET PENSION LIABILITY –  
HEALTH INSURANCE SUBSIDY PENSION PLAN  
September 30, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability *	0.000326%	0.000353%	0.000338%	0.000320%	0.000343%	0.000340%	0.000333%	0.000339%	0.000324%	0.000327%
District's proportionate share of the net pension liability *	\$ 51,729	\$ 37,433	\$ 41,521	\$ 39,082	\$ 38,377	\$ 35,975	\$ 35,575	\$ 39,527	\$ 33,023	\$ 30,605
District's covered payroll *	130,250	106,258	99,950	111,736	115,500	112,350	107,000	105,190	99,048	98,000
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	39.72%	35.23%	41.54%	34.98%	33.23%	32.02%	33.25%	37.58%	33.34%	31.23%
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%

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

**NORTH ST. LUCIE RIVER WATER CONTROL DISTRICT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS –  
HEALTH INSURANCE SUBSIDY PENSION PLAN  
September 30, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,273	\$ 2,138	\$ 1,989	\$ 1,855	\$ 1,917	\$ 1,889	\$ 1,818	\$ 1,772	\$ 1,665	\$ 1,082
Contributions in relation to the contractually required contribution	(2,273)	(2,138)	(1,989)	(1,855)	(1,917)	(1,889)	(1,818)	(1,772)	(1,665)	(1,082)
Contributions deficiency/(excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 130,250	\$ 106,258	\$ 99,950	\$ 111,736	\$ 115,500	\$ 112,350	\$ 107,000	\$ 105,190	\$ 99,048	\$ 98,000
Contributions as a percentage of covered-employee payroll	1.75%	2.01%	1.99%	1.66%	1.66%	1.68%	1.70%	1.68%	1.68%	1.10%

See accompanying notes to required supplementary information.

**North St. Lucie River Water Control District**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY**  
**September 30, 2023**

The following are relevant to the Florida Retirement System (FRS) and Health Insurance Subsidy (HIS) Program:

1. Actuarial assumptions for defined benefit plans are reviewed annually by the Florida Retirement System. The FRS Pension Plan has a valuation performed annually, whereas the HIS Program has a valuation performed biennially which was updated for GASB reporting in the year a valuation was not performed. The most recent experience study for the pension plan was completed in 2019 for the period of July 1, 2013 through June 30, 2018.
2. Method and assumptions used in calculation of actuarially determined contributions:

FRS Pension Plan

Valuation Date	July 1, 2022	July 1, 2023
Actuarial Cost Method	Entry Age	Entry Age
Actuarial Assumptions:		
Discount Rate	6.70%	6.70%
Investment Rate of Return	6.70%	6.70%
Projected Salary Increases	3.25%	3.25%
Rate of Inflation Adjustment	2.40%	2.40%
Mortality assumption:	PUB2010 base table with Scale MP-2018	PUB2010 base table with Scale MP-2018

HIS Program

Valuation Date	July 1, 2022	July 1, 2022
Actuarial Cost Method	Entry Age	Entry Age
Actuarial Assumptions:		
Discount Rate	3.54%	3.65%
Investment Rate of Return	N/A	N/A
Projected Salary Increases	3.25%	3.25%
Rate of Inflation Adjustment	2.40%	2.40%
Mortality assumption:	PUB2010 base table with Scale MP-2018	PUB2010 base table with Scale MP-2018





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## **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  
North St. Lucie River Water Control District  
Fort Pierce, 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, as listed in the table of contents, of North St. Lucie River Water Control District, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements and have issued our report thereon dated February 19, 2024.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit, we considered North St. Lucie River 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 North St. Lucie River Water Control District's internal control. Accordingly, we do not express an opinion on the effectiveness of North St. Lucie River 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

To the Board of Supervisors  
North St. Lucie River Water Control District

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether North St. Lucie River Water Control 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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



Berger, Toombs, Elam, Gaines & Frank  
Certified Public Accountants PL  
Fort Pierce, Florida

February 19, 2024



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## MANAGEMENT LETTER

To the Board of Supervisors  
North St. Lucie River Water Control District  
Fort Pierce, Florida

### Report on the Financial Statements

We have audited the financial statements of the North St. Lucie River Water Control District as of and for the year ended September 30, 2023, and have issued our report thereon dated February 19, 2024.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated February 19, 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 financial audit report. There were no findings or recommendations made in the preceding audit report.

### Financial Condition and Management

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

To the Board of Supervisors  
North St. Lucie River Water Control 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 as of September 30, 2023 for North St. Lucie River Water Control District. It is management's responsibility to monitor the North St. Lucie River Water Control District's financial condition, and our financial condition assessment was based in part on representations made by management and of review of financial information provided by the 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.

### **Specific Information**

The information provided below was provided by management and has not been audited; therefore, we do not express an opinion or provide any assurance on the information.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the North St. Lucie River Water Control District reported:

- 1) The total number of district employees compensated in the last pay period of the District's fiscal year: 2
- 2) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year: 3
- 3) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: \$130,250
- 4) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: \$475,485
- 5) Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1, 2022, together with the total expenditures for such project: None
- 6) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes: The budget was amended, see below.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, North St. Lucie River Water Control District reported:

- 1) The rate of non-ad valorem special assessments imposed by the District as: \$23.00/acre
- 2) The total amount of special assessments collected by or on behalf of the District as: The District collected total special assessments of \$1,275,840.
- 3) The total amount of outstanding bonds issued by the District and the terms of such bonds: N/A – no outstanding bonds.

To the Board of Supervisors  
North St. Lucie River Water Control District

	<b>Original Budget</b>	<b>Actual</b>	<b>Variance with Original Budget Positive (Negative)</b>
<b>Revenues</b>			
Special assessments	\$ 1,284,765	\$ 1,275,840	\$ (8,925)
License and permits	150,000	120,720	(29,280)
Intergovernmental revenues	485,000	264,981	(220,019)
Interest	1,500	29,858	28,358
Miscellaneous revenues	12,000	12,000	-
Total Revenues	<u>1,933,265</u>	<u>1,703,399</u>	<u>(229,866)</u>
<b>Expenditures</b>			
<b>Current</b>			
General government	179,450	222,798	(43,348)
Physical environment	1,699,750	1,327,514	372,236
Capital outlay	-	5,000	(5,000)
Total Expenditures	<u>1,879,200</u>	<u>1,555,312</u>	<u>323,888</u>
Net changes in fund balance	54,065	148,087	94,022
Fund Balances - October 1, 2022	<u>-</u>	<u>1,228,943</u>	<u>1,228,943</u>
Fund Balances - September 30, 2023	<u>\$ 54,065</u>	<u>\$ 1,377,030</u>	<u>\$ 1,322,965</u>

**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 which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

To the Board of Supervisors  
North St. Lucie River Water Control District

**Purpose of this 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.

*Berger Toombs Elam  
Gaines + Frank*

Berger, Toombs, Elam, Gaines & Frank  
Certified Public Accountants PL  
Fort Pierce, Florida

February 19, 2024