

**TINDALL HAMMOCK IRRIGATION
AND SOIL CONSERVATION DISTRICT**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

**TINDALL HAMMOCK IRRIGATION AND
SOIL CONSERVATION DISTRICT
September 30, 2023**

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**TINDALL HAMMOCK IRRIGATION AND
SOIL CONSERVATION DISTRICT
September 30, 2023**

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INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors
Tindall Hammock Irrigation and Soil Conservation District:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund, and the aggregate remaining fund information of Tindall Hammock Irrigation and Soil 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 as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Tindall Hammock Irrigation and Soil Conservation District, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Tindall Hammock Irrigation and Soil 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Tindall Hammock Irrigation and Soil 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 Tindall Hammock Irrigation and Soil 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 Tindall Hammock Irrigation and Soil 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 4-10 and 33-37, 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 June 30, 2024, on our consideration of the Tindall Hammock Irrigation and Soil 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Tindall Hammock Irrigation and Soil 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 Tindall Hammock Irrigation and Soil Conservation District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Leno Sabey, PLLC". The signature is written in a cursive, flowing style.

June 30, 2024

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

**TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
September 30, 2023**

The management of Tindall Hammock Irrigation and Soil Conservation District (the "District") would like to provide readers of the District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended September 30, 2023. Readers are encouraged to consider the information presented in this discussion and analysis in conjunction with the District's basic financial statements, which are contained herein and commence on page 11.

Prior to discussing the financial position of the District, the following information is offered to the readers. The Tindall Hammock Irrigation and Soil Conservation District exists pursuant to the provisions of Ch. 98-523, Laws of Florida, as amended, a Special Act of the Florida Legislature. The District was originally formed in 1951 and as of September 30, 2023 the District managed approximately 780 acres in central Broward County, Florida, and served a population of approximately 3,200 residents. The District, a special purpose unit of local government, has powers to manage stormwater, and exercise flood control, as well as own and operate utilities. Such powers include the ability to borrow money, and issue bonds or other evidences of indebtedness, to assess and levy upon all the lands in the District annual drainage, administrative and maintenance taxes, and to install and foreclose special assessment liens.

The District also provides water and sewer services to approximately 736 and 704 customers, respectively.

FINANCIAL HIGHLIGHTS

As of September 30, 2023, the District's total assets exceeded total liabilities by \$28,163,239 (net position). Unrestricted net position for government activities was \$11,027,931 and \$(2,927,191) for business-type activities. The restricted net position for the impact fee fund was \$1,608,361.

For the year ended September 30, 2023, government activities revenues totaled \$1,205,743 while governmental activities expenses totaled \$622,930. Business-type operating revenues totaled \$3,244,988. Business-type expenses totaled \$3,258,899. Impact fee revenues totaled \$482. No impact fee expenses were incurred for the year ended September 30, 2023.

DISTRICT HIGHLIGHTS

For fiscal year 2023 the District decreased the millage rate from 1.5159 mills to the rolled-back rate of 1.3307 mills. There was no effective increase in ad valorem taxes in fiscal 2023.

During the 2023 fiscal year, the District completed the following capital improvement projects:

- The District completed several improvements to the storm water system during the fiscal year. The most notable was the completion of the relocation of the south pump in its entirety. As of September 30, 2022, the pump and permanent generator were installed. The permanent power feed from Florida Power & Light to the permanent generator was completed during fiscal year 2023 and the pump is fully operational.
- The District, continuing with the initiative started in FY 2022, budgeted an additional \$50,000 for the replacement of the north pump and the process of design and analysis is ongoing. The fiscal year budget also includes funding for additional bank stabilization as needed and stage recorders with telemetry.
- The District substantially completed phase II of the District's capital plan for the utility which included significant repairs and deferred maintenance of several components of the older utility plant to provide proper redundancy. The instrumentation that will go into the new office, once completed, is still pending but will be completed in the upcoming year.
- The District has installed a new monitoring well to replace the abandoned well that was under the electrical building. The District continued to move forward with the installation of a master meter in one development in lieu of individually billing the residents. The installation of the meter was completed and discussions with the development owner are ongoing. The transition to a single meter should be completed in the upcoming fiscal year.

**TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
September 30, 2023**

DISTRICT HIGHLIGHTS (continued)

- During the budgeting process, several other projects, including painting of the entire plant, an interconnect with the Town of Davie, sludge drying beds, construction of a water filter platform, additional blowers and filter monitoring instrumentations were identified. The funds were approved and budgeted in fiscal 2023 to begin the process of design and analysis.
- The District also budgeted funds for the construction of a deep injection well. The process of obtaining a permit for a deep injection well is ongoing and currently in the signature cycle with the Florida Department of Environmental Protection. The project was advertised for bids in September in anticipation of receiving the permit and bid documents have been prepared in order to procure bids for the project. Drawings for the site plan for the injection well and the foundation plans for the drilling pad are being prepared.
- The five-year storm water recertification process was ongoing, with one five-year renewal certification completed during the fiscal year. In addition, there were two applications for permits or new certifications completed during the year involving storm water drainage and two development reviews and inspections for water and sewer services. The District continued in fiscal 2023 with the permitting process and related work involving utility easements for new developments within the utility service area.
- The FDEP operational permit is in place until August 2024.

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 the 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 the basic financial statements provide additional information concerning the District's finances that are not disclosed in the government-wide or fund financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements include 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 government activities and business-type activities and the change in net position. Government activities are primarily supported by assessments and property taxes. Business-type activities are supported by charges to the users of those activities, such as water and sewer services.

The Statement of net position presents information on all assets, deferred outflows of resources, deferred inflows of resources and liabilities of the District, with the reported as net position. Net position is reported in three categories: 1) investment in capital assets, net of any related debt; 2) restricted; and 3) unrestricted. Assets, liabilities, and net position are reported for all government activities separate from the assets, liabilities, and net position of business-type activities.

**TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
September 30, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

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. To assist in understanding the District's operations, expenses have been reported as government activities or business-type activities. Government activities by the District include physical environment and general government. Business-type activities include user charges for water and sewer services.

Fund financial statements

Fund financial statements present financial information for governmental funds and proprietary funds. These statements provide financial information for the major funds of the District. Governmental fund financial statements provide information on the assets and liabilities of the fund, changes in current financial resources (revenues and expenditures), and available resources. Enterprise fund financial statements provide information on all assets and liabilities of the funds, changes in the economic resources (revenues and expenses), and total economic resources of the water and sewer fund.

Fund financial statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balance for all governmental funds. A statement of revenues, expenditures, and changes in fund balance - budget and actual, is provided for the District's general fund. For the enterprise fund, a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows are presented. Fund financial statements provide more detailed information about the District's activities. Individual funds are established by the District to track revenues that are restricted to certain uses and comply with legal requirements.

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, split between government activities and business-type activities. 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. All assets of the District, including buildings, machinery and equipment, and infrastructure are reported in the Statement of net position. All liabilities, including principal outstanding on debt, and future employee benefits, obligated but not paid by the District, are included. The Statement of activities includes provision for depreciation of all long-lived assets of the District, but transactions between the different functions of the District have been eliminated in order to avoid duplicating related revenues and expenses.

The fund financial statements provide a picture of the major funds of the District. In the case of governmental activities, outlays for long-lived assets are reported as expenditures, and long-term liabilities, such as bonds, are not included in the fund financial statements. To provide an understanding of the differences between the fund financial statements and the government-wide financial statements, reconciliations are provided on pages 15 and 17.

Notes to the basic financial statements

The notes provide additional detail concerning the financial activities and financial balances of the District, information about the accounting practices of the District, investments of the District, and any long-term debt. It is important for readers to obtain a full understanding of these notes as they contain important information related to the financial statements.

**TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
September 30, 2023**

THE DISTRICT AS A WHOLE

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Tindall Hammock Irrigation and Soil Conservation District, assets exceeded liabilities by \$28,163,239 at year-end. The largest portion of the District's net position (65.53%) reflects its investments in capital assets (land, buildings, machinery and equipment, and infrastructure). The District uses capital assets to provide services to property owners, residents and businesses; accordingly, these assets are not available for future spending.

The District adopted the fiscal year 2022-2023 general and proprietary fund budgets on September 21, 2022. The District made no amendments to the budget during the fiscal year. Total general fund expenditures budgeted for the fiscal year ended September 30, 2023, were \$890,271 which excludes capital or proprietary expenditures versus total actual budgetary basis expenditures of \$545,391. The significant difference between budgeted and actual budgetary basis expenditures was largely due to engineering expenses, certain machinery, equipment and infrastructure expenditures, hurricane, and contingency events that were budgeted but not yet expended. Total proprietary fund expenditures budgeted for the fiscal year ended September 30, 2023, were \$2,332,823, while the actual proprietary budgetary basis fund expenditures were \$2,429,574. The most significant favorable variance occurred in the purchased water and sewer treatment category due to reduced usage relating to the closure of a mobile home park in the service area and its conversion to industrial-use thereby incurring less water and sewer usage. The most significant negative variance related to the use of rental equipment during the year in order to prepare the site for the deep injection well project. Capital expenditures relating to the Fern Crest water and wastewater improvements for the fiscal year 2022-2023 were \$1,110,808. Due to the uncertainty of the timing of new development activities within the District boundaries, there were no impact fees assessed or budgeted during the fiscal year.

GOVERNMENT-WIDE FINANCIAL POSITION

As noted earlier, net position may serve over time as a useful indicator of financial position. The following tables reflect the condensed government-wide statement of net position as of September 30, 2023 and 2022.

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**TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
September 30, 2023**

Comparative Financial Information - Net Position

	<u>Governmental Activities</u>		<u>Impact Fee Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current and other assets	\$11,086,302	\$ 10,385,077	\$1,608,361	\$1,607,879	\$ 2,492,839	\$ 2,142,201	\$15,187,502	\$14,135,157
Capital assets	<u>1,953,613</u>	<u>2,031,152</u>	<u>-</u>	<u>-</u>	<u>16,500,525</u>	<u>16,219,042</u>	<u>18,454,138</u>	<u>18,250,194</u>
Total assets	<u>13,039,915</u>	<u>12,416,229</u>	<u>1,608,361</u>	<u>1,607,879</u>	<u>18,993,364</u>	<u>18,361,243</u>	<u>33,641,640</u>	<u>32,385,351</u>
Total liabilities	<u>58,371</u>	<u>17,498</u>	<u>-</u>	<u>-</u>	<u>5,420,030</u>	<u>4,773,998</u>	<u>5,478,401</u>	<u>4,791,496</u>
Net position:								
Investment in capital assets	1,953,613	2,031,152	-	-	16,500,525	16,219,042	18,454,138	18,250,194
Restricted	-	-	1,608,361	1,607,879	-	-	1,608,361	1,607,879
Unrestricted	<u>11,027,931</u>	<u>10,367,579</u>	<u>-</u>	<u>-</u>	<u>(2,927,191)</u>	<u>(2,631,797)</u>	<u>8,100,740</u>	<u>7,735,782</u>
Total net position	<u>\$12,981,544</u>	<u>\$ 12,398,731</u>	<u>\$1,608,361</u>	<u>\$1,607,879</u>	<u>\$13,573,334</u>	<u>\$13,587,245</u>	<u>\$28,163,239</u>	<u>\$27,593,855</u>

**TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
September 30, 2023**

Comparative Financial Information - Changes in Net Position

	<u>Governmental Activities</u>		<u>Impact Fee Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues:								
Maintenance taxes, net	\$ 1,186,879	\$ 1,177,658	\$ -	\$ -	\$ -	\$ -	\$ 1,186,879	\$ 1,177,658
Water and sewer fees	-	-	-	-	3,244,988	3,499,706	3,244,988	3,499,706
Other income	<u>18,864</u>	<u>1,414</u>	<u>482</u>	<u>561,492</u>	<u>-</u>	<u>-</u>	<u>19,346</u>	<u>562,906</u>
Total revenues	<u>1,205,743</u>	<u>1,179,072</u>	<u>482</u>	<u>561,492</u>	<u>3,244,988</u>	<u>3,499,706</u>	<u>4,451,213</u>	<u>5,240,270</u>
Expenses:								
Operations and maintenance	542,024	559,575	-	-	1,404,361	1,266,593	1,946,385	1,826,168
Payroll, taxes and benefits	3,367	3,245	-	-	1,025,213	850,811	1,028,580	854,056
Depreciation	<u>77,539</u>	<u>76,740</u>	<u>-</u>	<u>-</u>	<u>829,325</u>	<u>742,362</u>	<u>906,864</u>	<u>819,102</u>
Total expenses	<u>622,930</u>	<u>639,560</u>	<u>-</u>	<u>-</u>	<u>3,258,899</u>	<u>2,859,766</u>	<u>3,881,829</u>	<u>3,499,326</u>
Other income expense:								
Infrastructure contributed by developer	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	582,813	539,512	482	561,492	(13,911)	639,940	569,384	1,740,944
Net position, beginning of year	<u>12,398,731</u>	<u>11,859,219</u>	<u>1,607,879</u>	<u>1,046,387</u>	<u>13,587,245</u>	<u>12,947,305</u>	<u>27,593,855</u>	<u>25,852,911</u>
Net position, end of year	<u>\$12,981,544</u>	<u>\$ 12,398,731</u>	<u>\$1,608,361</u>	<u>\$1,607,879</u>	<u>\$13,573,334</u>	<u>\$13,587,245</u>	<u>\$28,163,239</u>	<u>\$27,593,855</u>

Governmental activities increased the District's net position by \$582,813, impact fee activities increased the net position by \$482 and business-type activities decreased the net position by \$13,911 as reflected above.

**TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
September 30, 2023**

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances and to illustrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District chairman, H. Collins Forman Jr. at 888 South Andrews Avenue, Suite 302, Fort Lauderdale, 33316.

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**BASIC FINANCIAL STATEMENTS –
GOVERNMENT-WIDE**

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Statement of Net Position
September 30, 2023

	Governmental Activities	Impact Fee Activities	Business-Type Activities	Totals
ASSETS:				
Cash and cash equivalents	\$ 6,668,323	\$ 1,608,361	\$ 819,399	\$ 9,096,083
Accounts receivable, net	26,945	-	322,286	349,231
Prepaid expenses	893	-	23,740	24,633
Goodwill	-	-	970,133	970,133
Deposits and other assets	-	-	281	281
Advance to water and sewer fund	4,390,141	-	-	4,390,141
Right of use asset	-	-	357,000	357,000
Capital assets being depreciated, net	1,953,613	-	15,159,698	17,113,311
Capital assets not being depreciated	-	-	1,340,827	1,340,827
Total assets	13,039,915	1,608,361	18,993,364	33,641,640
LIABILITIES:				
Accounts payable and accrued expenses	58,371	-	336,876	395,247
Contracts payable	-	-	50,959	50,959
Customer deposits	-	-	282,520	282,520
Lease obligation	-	-	357,000	357,000
Other liabilities	-	-	2,534	2,534
Advance from general fund	-	-	4,390,141	4,390,141
Total liabilities	58,371	-	5,420,030	5,478,401
NET POSITION:				
Investment in capital assets	1,953,613	-	16,500,525	18,454,138
Restricted	-	1,608,361	-	1,608,361
Unrestricted	11,027,931	-	(2,927,191)	8,100,740
Total net position	\$ 12,981,544	\$ 1,608,361	\$ 13,573,334	\$ 28,163,239

See accompanying notes to the financial statements.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Statement of Activities
For the Year Ended September 30, 2023

		Program Revenues		Net (Expense) Revenue And Change in Net Position			
				Primary Government			
	Expenses	Charge for Services	Grants and Contributions	Governmental Activities	Impact Fee Activities	Business-Type Activities	Totals
Government activities:							
Physical environment	\$ 545,391	\$ -	\$ -	\$ (545,391)	\$ -	\$ -	\$(545,391)
Depreciation and amortization	77,539	-	-	(77,539)	-	-	(77,539)
Total government activities	622,930	-	-	(622,930)	-	-	(622,930)
Impact fee activities:							
Water and sewer	-	482	-	-	482	-	482
Total impact fee activities	-	482	-	-	482	-	482
Business- type activities:							
Water and sewer	3,258,899	3,244,988	-	-	-	(13,911)	(13,911)
Total business type activities	3,258,899	3,244,988	-	-	-	(13,911)	(13,911)
Total government	<u>\$3,881,829</u>	<u>\$3,245,470</u>	<u>\$ -</u>	(622,930)	482	(13,911)	(636,359)

See accompanying notes to the financial statements.
(continued)

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Statement of Activities
For the Year Ended September 30, 2023
(continued)

Net (Expense) Revenue And Change in Net Position (continued)				
Primary Government				
	Governmental Activities	Impact Fee Activities	Business-Type Activities	Totals
General revenues:				
Maintenance taxes, net	1,186,879	-	-	1,186,879
Other income	18,864	-	-	18,864
	1,205,743	-	-	1,205,743
Change in net position	582,813	482	(13,911)	569,384
Net position, beginning of year	12,398,731	1,607,879	13,587,245	27,593,855
Net position, end of year	\$ 12,981,544	\$ 1,608,361	\$13,573,334	\$28,163,239

See accompanying notes to the financial statements.

**BASIC FINANCIAL STATEMENTS –
FUND**

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Balance Sheet - Governmental Fund
September 30, 2023

	General Fund
ASSETS	
Cash and cash equivalent	\$ 6,668,323
Advance to water and sewer fund	4,390,141
Other assets	<u>27,838</u>
Total assets	<u><u>\$ 11,086,302</u></u>
LIABILITIES AND FUND BALANCE	
LIABILITIES:	
Accounts payable and accrued expenses	\$ 58,371
Contracts payable	<u>-</u>
Total liabilities	58,371
FUND BALANCE:	
Non-Spendable	4,390,141
Assigned	2,633,154
Unassigned	<u>4,004,636</u>
Total fund balance	<u>11,027,931</u>
Total liabilities and fund balance	<u><u>\$ 11,086,302</u></u>

See accompanying notes to the financial statements.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Reconciliation of Balance Sheet - Governmental Fund
to Statement of Net Position
September 30, 2023

Total governmental fund balance		\$ 11,027,931
Capital assets reported in the statement of net position		
Capital assets	3,232,369	
Less accumulated depreciation	<u>(1,278,756)</u>	<u>1,953,613</u>
Total net position		<u><u>\$ 12,981,544</u></u>

See accompanying notes to the financial statements.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Statement of Revenues, Expenditures, and Change in
Fund Balance - Governmental Fund
For the Year Ended September 30, 2023

	General Fund
General Revenues:	
Maintenance taxes, net of discounts	\$ 1,186,879
Investment earnings and other income	<u>18,864</u>
Total general revenues	<u>1,205,743</u>
Expenditures:	
Operations and maintenance	542,024
Payroll, payroll taxes and benefits	<u>3,367</u>
Total expenditures	<u>545,391</u>
Excess of revenues over expenditures	660,352
Fund balance at beginning of year	<u>10,367,579</u>
Fund balance at end of year	<u><u>\$ 11,027,931</u></u>

See accompanying notes to the financial statements.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Reconciliation of Statement of Revenues, Expenditures, and
Change in Fund Balance - Governmental Fund to the Statement of Activities
For the Year Ended September 30, 2023

Excess of revenues over expenditures - governmental fund		\$ 660,352
Capital assets related differences:		
Expenditures for capital assets	\$ -	
Less: current year depreciation	<u>(77,539)</u>	<u>(77,539)</u>
Change in net position		<u><u>\$ 582,813</u></u>

See accompanying notes to the financial statements.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Balance Sheet -Proprietary Fund
September 30, 2023

	Water and Sewer Fund
ASSETS:	
Cash and cash equivalents	\$ 819,399
Accounts receivable, net	322,286
Prepaid expenses	23,740
Deposits and other assets	281
Goodwill	970,133
Capital assets, net	16,500,525
Right of use asset	357,000
Total assets	\$ 18,993,364
LIABILITIES AND NET POSITION	
LIABILITIES:	
Accounts payable and accrued expenses	\$ 336,876
Advance from general fund	4,390,141
Contracts payable	50,959
Customer deposits	282,520
Lease obligation	357,000
Other liabilities	2,534
Total liabilities	5,420,030
NET POSITION:	
Investment in capital assets	16,500,525
Unrestricted	(2,927,191)
Total net position	13,573,334
Total liabilities and net position	\$ 18,993,364

See accompanying notes to the financial statements.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Statement of Revenues, Expenses, and Change in Net Position -
Proprietary Fund
For the Year Ended September 30, 2023

	<u>Water and Sewer Fund</u>
Operating revenues:	
Water and sewer fees	\$ 3,244,988
Operating expenses:	
Operations and maintenance	1,404,361
Payroll, payroll taxes and benefits	1,025,213
Depreciation	<u>829,325</u>
Total operating expenses	<u>3,258,899</u>
Net loss	(13,911)
Net position, beginning of year	<u>13,587,245</u>
Net position, end of year	<u><u>\$ 13,573,334</u></u>

See accompanying notes to the financial statements.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Statement of Cash Flows -
Proprietary Fund
For the Year Ended September 30, 2023

	<u>Water and Sewer Fund</u>
Operating activities:	
Net loss	\$ (13,911)
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	829,325
Recovery of doubtful accounts	(5,469)
Changes in assets and liabilities:	
Accounts receivable	(49,567)
Prepaid expenses	(5,350)
Accounts payable and accrued expenses	278,696
Accrued contracts payable	16,828
Customer deposits	8,643
Other liabilities	<u>(1,244)</u>
Net cash provided by operating activities	1,057,951
Investing activities:	
Acquisition of capital assets	<u>(1,110,808)</u>
Net cash used in investing activities	(1,110,808)
Financing activities:	
Repayments to general fund, net	<u>(13,891)</u>
Net cash used in financing activities	<u>(13,891)</u>
Net decrease in cash and cash equivalents	(66,748)
Cash and cash equivalents, at beginning of year	<u>886,147</u>
Cash and cash equivalents, at end of year	<u><u>\$ 819,399</u></u>

See accompanying notes to the financial statements.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Balance Sheet -
Impact Fee Fund
September 30, 2023

	Impact Fee Fund
ASSETS:	
Cash and cash equivalents	<u><u>\$ 1,608,361</u></u>
FUND BALANCE:	
Restricted	<u><u>\$ 1,608,361</u></u>

See accompanying notes to the financial statements.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Statement of Revenues, Expenditures, and Change in Fund Balance -
Impact Fee Fund
For the Year Ended September 30, 2023

	Impact Fee Fund
Operating revenues:	
Other income	\$ 482
Change in fund balance	482
Fund balance, beginning of year	1,607,879
Fund balance, end of year	\$ 1,608,361

See accompanying notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Notes to Financial Statements
September 30, 2023

(1) DESCRIPTION OF THE TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT

The Tindall Hammock Irrigation and Soil Conservation District (the "District") exists pursuant to the provisions of Chapter 98-523, Laws of Florida, as amended, a Special Act of the Florida Legislature. The District was originally formed in 1951 and includes approximately 780 acres in central Broward County, Florida.

The District is a special purpose unit of a local government with powers primarily in the areas of stormwater management, flood control, and utility ownership and operation. Such powers include rights to borrow money and issue bonds or other evidences of indebtedness, assess and impose assessments upon all the lands in the District for annual drainage, administrative, and maintenance taxes and impose and foreclose on special assessment liens.

(2) 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 government units. The Government Accounting Standards Board ("GASB") is the standard-setting body for establishing government accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

(a) Reporting Entity and Financial Reporting

The District follows the standards promulgated by GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, to define the reporting entity. The District's financial statements include operations for which the District exercises oversight responsibility. Oversight responsibility is demonstrated by financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The District has not identified any component units and is not a participant in any joint-venture; accordingly, operations of no other entities have been included in the financial statements.

The District follows the requirements of GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54"). The District also follows the requirements of GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* ("GASB 34") and Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* ("GASB 63"), which incorporates deferred outflows and deferred inflows of resources into the definitions of the required components of the residual measure of net position. The District did not have any deferred outflows or deferred inflows of resources as of September 30, 2023.

(b) Government-Wide and Fund Financial Statements

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

The government-wide financial statements include a Statement of net position and a Statement of activities. These statements report information on all activities of the District. Inter-fund activity has been eliminated from these statements. The Statement of activities demonstrates the extent to which the expenses of the District are offset by the revenues collected by the District. Revenues collected include investment income earned during the year. The District's policy is to apply restricted resources before unrestricted resources when an expense is incurred for which both restricted and unrestricted assets are available.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Notes to Financial Statements
September 30, 2023

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Separate financial statements are provided by governmental fund. Major governmental funds are reported as separate columns in the fund financial statements. The governmental fund statements reflect amounts due from/to other funds. These amounts represent transfers repaid in the future period.

(c) Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be measurable and available when the cash flow from the revenue can be reasonably estimated and they are available to pay liabilities of the current period. For this purpose, the District considers maintenance taxes to be available if they are collected within sixty days of the end of the current fiscal period. A one-year availability period is used for all other revenues.

Revenues susceptible to accrual are maintenance taxes and interest on investments. Maintenance taxes are recorded as revenues in the fiscal year they are levied, provided they are collected in the current period or within sixty days thereafter. Interest on invested funds is recognized when earned.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences, claims and judgments are recorded only when payment is due.

Proprietary funds focus on the flow of economic resources recognized on the accrual basis of accounting. These funds account for all assets and liabilities related to their operations. Revenue is recognized when earned, and expenses are recognized when incurred.

(d) Major Funds

Governmental Fund Type

Governmental funds are used to account for the District's expendable financial resources and related liabilities. The following are the District's governmental fund types:

General Fund - The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund, for purposes of maintaining control over resources for specific activities or objectives, or to ensure compliance with finance-related legal requirements.

Impact Fee Fund – The impact fee fund is a restricted fund. It is used to account for all fees and associated expenditures relating to impact fees charged for water and sewer services.

Proprietary Fund Type

Proprietary funds are used to account for activities that receive significant support from business-type activities financed by self-generated revenues. The District currently has the following proprietary fund:

(continued)

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Notes to Financial Statements
September 30, 2023

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Water and Sewer Fund - The water and sewer fund is an enterprise fund established to account for operations that are to be financed and operated in a manner similar to private business enterprises. The costs of providing services to customers are to be recovered primarily through user charges.

(e) Budgetary Procedures and Accounting

An annual budget is adopted for the general fund on a basis consistent with GAAP, with the exception that the budgets include encumbrances as the equivalent of expenditures, and do not include revenues and expenditures related to certain special projects.

Prior to the end of the fiscal year, the District's chairman, in conjunction with the District's management company and the District's attorney, submits to the Board of Supervisors (the "Board") the proposed budget for the fiscal year commencing October 1st. The District holds workshops and public hearings, as required, on the proposed budget. Prior to the end of each fiscal year, the budget is formally adopted for the ensuing year.

The legal level of control, the level at which expenditures may not exceed the budget, is at the total expenditure level. Appropriations lapse at year end. Should additional expenditures be necessary during the year, the District has the authority to modify the budget by a majority vote of the Board.

(f) Encumbrances

For governments that use encumbrance accounting, significant encumbrances should be disclosed in the notes to the financial statements by major funds and non-major funds, in the aggregate, in conjunction with required disclosures about other significant commitments.

Encumbered amounts for specific purposes for which resources already have been restricted, committed, or assigned should not result in separate display of the encumbered amounts within those classifications. Encumbered amounts for specific purposes for which amounts have not been previously restricted, committed, or assigned are included within the committed or assigned fund balance. As of September 30, 2023, outstanding encumbrances amounted to \$102,208.

(g) Cash and Cash Equivalents

For purposes of the Statement of cash flows – proprietary fund, the District considers all highly liquid investments, including restricted assets, with an initial maturity of three months or less when purchased to be cash equivalents.

(h) Accounts Receivable

Accounts receivable reflected in the proprietary enterprise fund consist of amounts due from customers for water and sewer services, less an estimate made for doubtful accounts based on management's best estimate of probable losses inherent in the accounts receivable balance. Management determines the allowance for doubtful accounts by regularly evaluating historical experience and current economic conditions. Accounts receivable are written off when deemed uncollectible. As of September 30, 2023, an allowance for doubtful accounts was recorded in the amount of \$14,389.

(i) Capital Assets and Depreciation – Government-Wide Financial Statements

Capital assets, which include land, buildings, infrastructure, machinery and equipment and construction-in-progress are reported in the government-wide financial statements. All capital assets are recorded at historical cost or estimated historical cost when actual historical cost is not available.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Notes to Financial Statements
September 30, 2023

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated and awarded capital assets are recorded at their estimated fair market value on the date donated or when awarded by the courts. Consistent with Florida state statutes, the District defines capital assets as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Maintenance, repairs, and minor renovations are not capitalized. Expenditures that materially increase values or extend useful lives are capitalized. There are no idle or impaired capital assets as of September 30, 2023.

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

<u>Asset</u>	<u>Years</u>
Equipment	5-7
Water and sewer equipment	5-7
Water and sewer infrastructure	15-40
Water Control Structures (including storm water pump stations)	15-50

Canals and lakes are considered to be land improvements and, therefore, are not depreciated. Depreciation expense is reflected in the Statement of activities in accordance with GASB 34.

(j) Goodwill

The District has elected not to amortize goodwill, instead goodwill is tested for impairment when a triggering event occurs indicating the fair value of the asset may be below its carrying amount, consistent with Accounting Standard Codification 350 *Intangibles – Goodwill and Other*. For the year ended September 30, 2023 there were no such events, and therefore no impairment to goodwill has been recorded.

(k) Advance To and From Other Funds

Short-term inter-fund transactions, when applicable, are recorded by the lending fund as a receivable with a corresponding payable recorded by the borrowing fund. Repayments reduce the corresponding receivable and payable. Inter-fund balances are eliminated in the government-wide financial statements. As of September 30, 2023, the proprietary fund owed the general fund \$4,390,140, representing a working capital transfer from the general fund to the water and sewer fund and reported as Advance to water and sewer fund in the accompanying Balance sheet – governmental fund and Advance from general fund in the accompanying Balance sheet – proprietary fund.

(l) Compensated Absences

The full-time employees of the District may carryover to the following fiscal year all of their cumulative unused vacation benefits. Vacation time is earned based upon length of service, up to a maximum amount of five weeks per year, once the employee has completed twenty-five years of service with the District, with the exception of certain employees covered by employment agreements. At September 30, 2023, the liability for accrued compensated absences was \$35,200, and is included in Contracts payable in the accompanying Balance sheet – proprietary fund.

(continued)

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Notes to Financial Statements
September 30, 2023

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Fund Balance

GASB 54 classifies fund balances as follows:

Non-Spendable Fund Balances – Non-spendable fund balances include amounts not in spendable form, such as prepaid amounts and advances to other funds, and amounts required to be maintained intact legally or contractually. As of September 30, 2023, the District had non-spendable fund balances of \$4,390,141.

Restricted Fund Balances – Restricted fund balances include amounts constrained for a specific purpose by external parties. As of September 30, 2023, the impact fee fund had restricted funds of \$1,608,361.

Committed Fund Balances – Committed fund balances include amounts constrained for a specific purpose determined by a formal action or ordinance by a government using its highest level of decision-making authority. As of September 30, 2023, the District had no committed fund balances.

Assigned Fund Balances – Assigned fund balances include general fund amounts constrained for a specific purpose by the District's Board. As of September 30, 2023, the general fund had assigned fund balances of \$2,893,613.

Unassigned Fund Balance – Unassigned fund balance represents the residual classification for the general fund. As of September 30, 2023, the general fund had an unassigned fund balance of \$3,744,177.

The District's Board approves all transactions that occur with respect to the restricted and committed fund balances, as adopted by the Board in accordance with GASB 54.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources are expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

GASB 54 does not apply to the District's proprietary enterprise funds.

(n) Use of Estimates

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

(o) Impact of Recently Issued Accounting Pronouncements

The District has not yet determined the impact of GASB pronouncements No. 100, 101, 102 and 103 which have been issued but are not yet effective and have not been implemented.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Notes to Financial Statements
September 30, 2023

(3) CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of September 30, 2023, are comprised of the following:

Cash deposits:	
Demand deposit accounts	9,095,379
Petty cash	<u>704</u>
Total cash deposits	<u>\$ 9,096,083</u>

All of the District's cash deposits are held in accounts at depository institutions which are recognized as State of Florida Qualified Public Depositories in accordance with state statutes, which, in addition to being insured by the Federal Deposit Insurance Corporation ("FDIC") to \$250,000, are secured by collateralized securities as required under Chapter 280, of the Florida Statutes. At September 30, 2023, deposits with banks exceeded the FDIC limit by approximately \$8,660,000. The District has not experienced, nor does it anticipate, any losses in such accounts.

Following is the percentage allocation of cash and cash equivalents by depository institution as of September 30, 2023:

<u>Institution</u>	<u>Percentage of Total</u>
Truist	50.44%
BankUnited	49.56%

(4) MAINTENANCE TAXES AND SPECIAL ASSESSMENTS

Maintenance taxes and special assessments attach as an enforceable lien on the owners' property as of January 1st of each year. The taxes are levied on November 1st for that calendar year and are payable, without penalty, from November 1st to the following March 31st. Broward County bills and collects these taxes and assessments and remits these proceeds to the District. Payments made after March 31, are subject to late payment fines. Any amount unpaid as of June 30th, results in a tax certificate sale to investors. The District receives its share of the certificate sale, which generally represents the full amount due to the District. There were no material delinquent taxes as of September 30, 2023.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Notes to Financial Statements
September 30, 2023

(5) CAPITAL ASSETS

The following summarizes changes in the capital assets:

	Balance 9/30/2022	Additions	Transfers	Disposals and Retirements	Balance 9/30/2023
Government Activities:					
Capital Assets Being Depreciated:					
Water control structures	\$ 2,566,956	\$ -	\$ -	\$ -	\$ 2,566,956
Equipment	665,413	-	-	-	665,413
Total Capital Assets Being Depreciated	3,232,369	-	-	-	3,232,369
Less: Accumulated Depreciation:					
Water control structures	(905,981)	(48,057)	-	-	(954,038)
Equipment	(295,236)	(29,482)	-	-	(324,718)
Total Accumulated Depreciation	(1,201,217)	(77,539)	-	-	(1,278,756)
Capital Assets, Net	\$ 2,031,152	\$ (77,539)	\$ -	\$ -	\$ 1,953,613

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Notes to Financial Statements
September 30, 2023

(5) CAPITAL ASSETS (continued)

	Balance 9/30/2022	Additions	Transfers	Disposals and Retirements	Balance 9/30/2023
Business-Type Activities:					
Capital Assets Not Being Depreciated:					
Construction in Progress	\$ 4,181,099	\$ 885,727	\$ (3,977,323)	\$ -	\$ 1,089,503
Land	251,324	-	-	-	251,324
Total Capital Assets Not Being Depreciated:	4,432,423	885,727	(3,977,323)	-	1,340,827
Capital Assets Being Depreciated					
Infrastructure	17,808,159	181,192	3,977,323	(8,427)	21,958,247
Equipment	122,115	43,889	-	(4,086)	161,918
Total Capital Assets Being Depreciated:	17,930,274	225,081	3,977,323	(12,513)	22,120,165
Less Accumulated Depreciation					
Infrastructure	(6,055,076)	(814,965)	-	8,427	(6,861,614)
Equipment	(88,579)	(14,360)	-	4,086	(98,853)
Total Accumulated Depreciation	(6,143,655)	(829,325)	-	12,513	(6,960,467)
Capital Assets, Net	\$ 16,219,042	\$ 281,483	\$ -	\$ -	\$16,500,525

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Notes to Financial Statements
September 30, 2023

(6) Leases

On November 3, 2008, the District entered into an amended and restated lease agreement, with a related party allowing the District to discharge and dispose treated wastewater into a man-made rockpit owned by the related party. The lease currently calls for minimum lease payments of approximately \$3,400 per month. The lease expires on November 2, 2038 and contains no renewal options. The lease does not include a termination option for either party to the lease or restrictive financial or other covenants. To compute the lease liability, the Company used the incremental borrowing rate estimated at 8.0%. Payments under the lease contract include fixed payments only.

Minimum future lease payments are as follows, as of September 30, 2023:

2024	\$	40,800
2025		40,800
2026		40,800
2027		40,800
2028		40,800
Thereafter		414,800
Total undiscounted lease payments		<u>659,600</u>
Less: imputed interest		<u>(302,600)</u>
Total lease liability	\$	<u>357,000</u>

Amortization expense related to the right of use asset and imputed interest expense on the related lease obligation approximated \$15,000 and \$25,000 during 2023, respectively, and are reported in Operating expenses in the accompanying Statement of revenues, expenses and change in net position – proprietary fund.

(7) 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 and natural disasters for which the District carries commercial insurance.

(8) WATER AND WASTEWATER UTILITY SYSTEM

Resolution 2008-20 authorizes the issuance of up to a total of \$15,000,000 aggregate principal amount of Tindall Hammock Irrigation and Soil Conservation District (Davie, Florida) Ad Valorem Tax Bonds, Series 2008 (the "Series 2008 Bonds"). As of September 30, 2023 and through June 30, 2024, the date on which the financial statements were available to be issued, the District had not yet issued any bonds authorized under the resolution.

The District's utility service area is located within the Town of Davie (the "Town"). The Town has approved certain land use amendments, and the redevelopment of several larger parcels within the District has led to an increase in both service revenue and taxable value in the current year. As a result of the increasing taxable values the District has been able to reduce the millage rate from the maximum of 6.000 mills in fiscal year 2014 to the current rate of 1.3077 mills for fiscal year 2023. The continuing redevelopment is expected to increase both service revenue and taxable values for several years. The combination of these conditions may provide for further decreases in the millage rate upon completion of the capital improvement plans, which include the deep injection well project.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Notes to Financial Statements
September 30, 2023

(9) UTILITY PLANT ACCESS

Access to the utility plant is through another property owner's private streets, as the property on which the plant is located is surrounded by such other property owner's land and development. The District has not been able to obtain a recorded ingress and egress to the plant, however, access has historically been made available through these private streets and as of June 30, 2024, the date on which the financial statements were available to be issued, the property owner has made no demands to the District to cease using this access.

(10) REGULATORY ISSUES

The District is engaged in certain environmental and regulatory issues that are applicable to the manner in which the District operates its drainage systems and its water and sewer system. The District has approved a multi-year Capital Improvement Program ("CIP") which when completed is intended to make all of the District systems compliant with current regulations. The District began implementing the CIP in fiscal year 2014 with the issuance of a bid request and continues in its compliance efforts.

(11) RELATED PARTIES

In accordance with Special Act of the Legislature (Chapter 98-523, Laws of Florida, as amended), the District Board is elected by the owners of land within the District, with each landowner's vote being based on the number of acres owned by such landowner. A significant portion of the land within the District is owned by members of the Board and related parties.

As a result, certain issues come before the District Board from time to time involving the District and these related parties. When such issues come before the Board, the District obtains opinions and recommendations of third parties in order to appropriately address and vote on any such issues.

On November 3, 2008, the District entered into a lease agreement with a related party allowing the District to discharge and dispose treated wastewater in accordance with its wastewater and disposal system permit issued by the Florida Department of Environmental Protection into a man-made rockpit owned by the related party. During 2023, the District made payments of approximately \$41,000 under the lease agreement. See Note 6.

(12) SUBSEQUENT EVENTS

The District has performed an evaluation of subsequent events through June 30, 2024, which is the date the financial statements were available for issue.

At the December 6, 2023 meeting of the Board of Supervisors, the Board awarded a bid for the completion of a deep injection well to the lowest bidder, All Webbs Enterprises, Inc., at the bid amount of \$7,663,350.00. The District expects the project to be completed in January 2026.

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Statement of Revenues, Expenditures, and Change in
Fund Balance - Budget and Actual - Governmental Fund
(Budgetary Basis)
For the Year Ended September 30, 2023

	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:			
Maintenance taxes, net of discounts	\$ 1,191,646	\$ 1,186,879	\$ (4,767)
Interest	<u>1,500</u>	<u>18,864</u>	<u>17,364</u>
 Total revenues	 <u>1,193,146</u>	 <u>1,205,743</u>	 <u>12,597</u>
Operational expenditures:			
Pump repairs and maintenance	100,000	69,145	30,855
Payroll, payroll taxes and fees	3,301	3,367	(66)
Property appraiser and collection fees	19,945	19,603	342
Insurance	11,000	13,865	(2,865)
Legal advertising	10,000	6,331	3,669
Permits	5,000	-	5,000
Licenses and fees	500	175	325
Office supplies	-	136	(136)
Promotional activities	500	-	500
Postage	200	-	200
Storage rental	7,500	5,396	2,104
Safety program	10,000	-	10,000
Utilities	<u>1,500</u>	<u>645</u>	<u>855</u>
 Total operational expenditures	 <u>169,446</u>	 <u>118,663</u>	 <u>50,783</u>
Professional fees:			
Management company	90,000	82,690	7,310
Engineering	150,000	34,708	115,292
Intergovernmental relations	30,000	15,000	15,000
Accounting	28,325	35,200	(6,875)
Bank fees	2,500	2,082	418
Legal	<u>250,000</u>	<u>248,501</u>	<u>1,499</u>
 Total professional fees	 <u>550,825</u>	 <u>418,181</u>	 <u>132,644</u>

See accompanying notes to financial statements.

(continued)

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Statement of Revenues, Expenditures, and Change in
Fund Balance - Budget and Actual - Governmental Fund
(Budgetary Basis)
For the Year Ended September 30, 2023
(continued)

	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance - Favorable (Unfavorable)</u>
Other expenditures:			
Hurricane	50,000	-	50,000
Machinery, equipment and infrastructure	100,000	8,547	91,453
Contingency	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Total other expenditures	<u>170,000</u>	<u>8,547</u>	<u>161,453</u>
Total expenditures	<u>890,271</u>	<u>545,391</u>	<u>344,880</u>
Excess of revenues over expenditures	<u>\$ 302,875</u>	660,352	<u>\$ 357,477</u>
Less: capital expenditures		<u>-</u>	
Net change in fund balance		<u>\$ 660,352</u>	

See accompanying notes to financial statements.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Statement of Revenues, Expenses, and Change in
Net Position – Budget and Actual – Proprietary Fund
(Budgetary Basis)
For the Year Ended September 30, 2023

	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:			
General service revenues	\$ 3,558,000	\$ 3,244,988	\$ (313,012)
Operational expenses:			
Payroll, payroll taxes, benefits and fees	937,623	1,043,730	(106,107)
Other contractual services	30,000	89,749	(59,749)
Engineering expenses	25,000	43,256	(18,256)
Legal expenses	12,000	-	12,000
Infrastructure	30,000	23,256	6,744
Sludge removal	125,000	160,989	(35,989)
Water testing	75,000	79,974	(4,974)
Telephone	12,000	11,940	60
Electricity	110,000	120,400	(10,400)
Purchased water and sewer treatment	545,000	167,851	377,149
Equipment rental	25,000	124,575	(99,575)
Lake rental	41,650	40,643	1,007
Insurance	65,000	61,171	3,829
Maintenance	120,000	176,579	(56,579)
Vehicle expense	17,000	17,783	(783)
Generator expense	10,000	12,254	(2,254)
Bad debts	1,000	(4,361)	5,361
Bank fees	-	35	(35)
Miscellaneous expense	1,500	2,273	(773)
Office supplies	10,000	10,586	(586)
Postage and delivery expense	6,050	5,533	517
Chemicals	103,500	152,936	(49,436)
Safety supplies	5,000	13,949	(8,949)
Uniforms	3,500	2,620	880
License and fees	12,000	40,290	(28,290)
Training and seminars	6,000	5,479	521
Buildings, machinery and equipment	<u>4,000</u>	<u>26,084</u>	<u>(22,084)</u>
Total operational expenses	<u>2,332,823</u>	<u>2,429,574</u>	<u>(96,751)</u>

See accompanying notes to financial statements.
(continued)

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Statement of Revenues, Expenses, and Change in
Net Position – Budget and Actual – Proprietary Fund
(Budgetary Basis)
For the Year Ended September 30, 2023
(continued)

	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance - Favorable (Unfavorable)</u>
Excess of revenues over expenses	<u>\$ 1,225,177</u>	\$ 815,414	<u>\$ (409,763)</u>
Differences between budgetary and GAAP basis:			
Depreciation		<u>(829,325)</u>	
Change in net position		<u>\$ (13,911)</u>	

See accompanying notes to financial statements.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Statement of Revenues, Expenditures, and Change in
Fund Balance – Budget and Actual – Impact Fee Fund
(Budgetary Basis)
For the Year Ended September 30, 2023

	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:			
Impact fee revenue	\$ -	\$ -	\$ -
Interest	<u>500</u>	<u>482</u>	<u>(18)</u>
Total revenues	<u>500</u>	<u>482</u>	<u>(18)</u>
Change in fund balance	<u><u>\$ 500</u></u>	<u><u>\$ 482</u></u>	<u><u>\$ (18)</u></u>

See accompanying notes to financial statements.

OTHER REPORTS SECTION

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT

**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*
For the Year Ended September 30, 2023**

**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
Tindall Hammock Irrigation and Soil Conservation District:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund and the aggregate remaining fund information of Tindall Hammock Irrigation and Soil 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 June 30, 2024.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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 were not identified.\

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, administrative rules, 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lemo Sabey, PLLC

June 30, 2024

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT

**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED BY
CHAPTER 10.550, RULES OF THE STATE OF FLORIDA OFFICE
OF THE AUDITOR GENERAL**

For the Year Ended September 30, 2023

1499 West Palmetto Park Road, Suite 107 • Boca Raton, FL 33486
500 East Broward Blvd, Suite 1650 • Fort Lauderdale, FL 33394

**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED BY
CHAPTER 10.550, RULES OF THE STATE OF FLORIDA OFFICE
OF THE AUDITOR GENERAL**

To the Board of Supervisors
Tindall Hammock Irrigation and Soil Conservation District:

Report on the Financial Statements

We have audited the financial statements of the Tindall Hammock Irrigation and Soil Conservation District, located in Davie, Florida, as of and for the year ended September 30, 2023, and have issued our report thereon dated June 30, 2024.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our 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*. Disclosures in those reports, if any, which are dated June 30, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no corrective actions or recommendations made in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Tindall Hammock Irrigation and Soil Conservation District was originally established pursuant to the provisions of Chapter 98-523, a Special Act of the Florida Legislature in 1951. There are no component units of the Tindall Hammock Irrigation and Soil Conservation District.

Financial Condition and Management

Sections 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 the Tindall Hammock Irrigation and Soil Conservation District met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Tindall Hammock Irrigation and Soil Conservation District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Tindall Hammock Irrigation and Soil Conservation District. It is management's responsibility to monitor the Tindall Hammock Irrigation and Soil Conservation District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same as of September 30, 2023.

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.

Monthly Financial Statements

Sections 10.554(1)(i)9.a. and 10.556(9), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the District provided monthly financial statements to its governing board and has made such financial statements available for public access on the District's website. In connection with our audit, we determined that the District provided monthly financial statements to its governing board and made such monthly financial statements available for public access on its website.

Transparency

Sections 10.554(1)(i)9.b. and 10.556(9), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the District provided a link on its website to the Florida Department of Financial Service's website to view the District's annual financial report submitted to the Department. In connection with our audit, we determined that the District provided a link on its website to the Florida Department of Financial Service's website.

Sections 10.554(1)(i)9.c. and 10.556(9), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the District posted its tentative and final budgets on its website. In connection with our audit, we determined that the District posted its tentative and final budgets on its website.

Specific Information (unaudited)

Tindall Hammock Irrigation and Soil Conservation District (the "District") has reported the following information (unaudited):

- Total number of District employees compensated in the last pay period of the District's fiscal year ended September 30, 2023: 14
- Total number of independent contractors to whom nonemployee compensation was paid in September 2023: 18
- All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency for fiscal year ended September 30, 2023: \$ 844,079
- All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency for fiscal year ended September 30, 2023: \$ 1,743,723
- Each construction project with a cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1, 2022:

<u>Projects</u>	<u>Expenditures</u>
Deep Injection Well	\$ 118,170

- Budget variance report: See pages 33-37 of annual financial statements for fiscal year ended September 30, 2023
- Ad valorem taxes collected by or on behalf of and millage rates imposed by the District for fiscal year ended September 30, 2023:

<u>Category</u>	<u>Rate Unit</u>	<u>Millage Rate</u>
Ad valorem tax	Rate	\$ 1.3307
Non-ad valorem special assessments	None	None
Outstanding bonds issued	None	None

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.

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, the Board of Supervisors of Tindall Hammock Irrigation and Soil Conservation District, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Lero Sabey, PLLC

June 30, 2024

**TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
REPORT TO MANAGEMENT**

PART I - CURRENT YEAR COMMENTS AND RECOMMENDATIONS

No comments or recommendations were noted for the year ended September 30, 2023.

PART II - STATUS OF PRIOR YEAR COMMENTS AND RECOMMENDATIONS

Not applicable as there were no comments or recommendations in the prior year.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
STATEMENT OF EXPLANATION OR REBUTTAL
TO MANAGEMENT LETTER COMMENTS AND RECOMMENDATIONS
For the Year Ended September 30, 2023

There is no response required for the current year.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
AFFADAVIT PURSUANT TO SECTION 163.31801 OF THE FLORIDA STATUTES
For the fiscal year ended September 30, 2023

AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Patricia Mahaney, who being duly sworn, deposes and says on oath that:

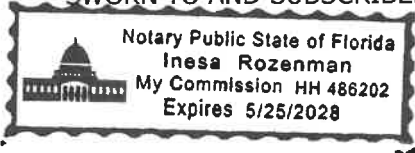
1. I am the Chief Financial Officer of Tindall Hammock Irrigation and Soil Conservation District which is a special taxing district of the State of Florida;
2. Tindall Hammock Irrigation and Soil Conservation District adopted Resolution No. 2014-05 implementing an impact fee; and
3. Tindall Hammock Irrigation and Soil Conservation District has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.


Patricia Mahaney, Chief Financial Officer

STATE OF FLORIDA
COUNTY OF BROWARD

SWORN TO AND SUBSCRIBED before me this 30th day of June, 2024.




NOTARY PUBLIC
Print Name Inesa Rozenman

Personally known X or produced identification _____

Type of identification produced: _____

My Commission Expires:

5/25/2028