

**PALM BEACH SOIL & WATER
CONSERVATION DISTRICT
BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2024
AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

PALM BEACH SOIL & WATER CONSERVATION DISTRICT

TABLE OF CONTENTS

	Page
FINANCIAL SECTION	
Independent Auditors' report	1
Management's Discussion and Analysis	3
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	7
Statement of Activities	8
Fund financial statements:	
Balance sheet – governmental funds	9
Reconciliation of the balance sheet – governmental funds to the statement of net position	10
Statement of revenues, expenditures, and changes in fund balance – governmental funds	11
Reconciliation of the statement of revenues, expenditures, and changes in fund balance – governmental funds to the statement of activities	12
Notes to the Financial Statements	13
REQUIRED SUPPLEMENTARY INFORMATION	
Notes to required supplementary information	28
Schedule of revenues, expenditures and changes in fund balance – budget and actual – general fund	29
Schedule of District's proportionate share of the net pension Liability - Florida Retirement System Pension Plan	30
Schedule of District contributions - Florida Retirement System Pension Plan	31
Schedule of District's proportionate share of the net pension Liability - Health Insurance Subsidy Pension Plan	32
Schedule of District contributions - Health Insurance Subsidy Pension Plan	33
OTHER INFORMATION	
Data Elements Required by FL Statutes 219.39(3)(c)	34
COMPLIANCE SECTION	
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 <i>Government Auditing Standards</i>	35
Independent Accountant's Report on District's Compliance with Section 218.415 Florida Statutes, Regarding the Investment of Public Funds	37
Management Letter Pursuant to the Rules of the Auditor General for the State of Florida	38
Schedule of Findings and Responses	39

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Palm Beach Soil & Water Conservation District

Opinion

We have audited the accompanying financial statements of the governmental activities and the major fund of the Palm Beach Soil & Water Conservation District (the District) as of and for the fiscal year ended September 30, 2024, 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 major fund the District, as of September 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-6 and page 21 be presented to supplement the basic financial statements. Such information, 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 Information

Management is responsible for the other information included in the annual report. The other information comprises the data elements required by Florida Statute 219.39(3)(c) but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2025, 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, contracts, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

Brunt Metz Group, P.A., CPAs

Davie, Florida
March 27, 2025

PALM BEACH SOIL & WATER CONSERVATION DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the Palm Beach Soil & Water Conservation District (the District) would like to offer the readers of the District's financial statements this discussion and analysis of the District's financial activities during the fiscal year ended September 30, 2024. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and required supplementary information to the basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the fiscal year ended September 30, 2024 by \$64,280.
- The District's total net increased by \$24,526.
- The District's total revenues for the year ended September 30, 2024 were \$510,273.
- Total expenses for all the District's activities were \$485,747.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Palm Beach Soil & Water Conservation District's basic financial statements. The District's annual report consists of three parts: management's discussion and analysis, the basic financial statements, and required supplementary information. The basic financial statements of the District consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic 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 report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or disbursed.

One of the most important questions asked about the District's finances is "Is the District as a whole better off or worse off as a result of the year's activities?" The statement of net position and the statement of activities report information about the District as a whole and about its activities in a way that helps answer this question.

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

The statement of activities presents information showing how the District's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

**PALM BEACH SOIL & WATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)**

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like state and local governments, uses fund accounting to ensure and demonstrate legal compliance with finance-related legal requirements. The District has one fund, the general fund, a governmental fund.

The District's basic services are reported in a governmental fund, which focuses on how money flows into and out of that fund and the balances left at year-end that are available for spending. This fund is reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The differences between district-wide activities (reported in the statement of net position and the statement of activities) and the general fund are reconciled on separate schedules.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position may serve over time as a useful indicator of an entity's financial position. In the case of the District, assets exceeded liabilities by \$39,754 at the close of the most recent fiscal year.

The following table highlights the net position as of September 30:

	<u>2024</u>	<u>2023</u>
Assets, excluding capital assets	\$ 245,619	\$ 212,380
Capital assets, net	<u>24,910</u>	<u>28,332</u>
Total assets	<u>270,529</u>	<u>240,712</u>
Deferred outflows of resources	<u>42,488</u>	<u>65,060</u>
Current liabilities	11,245	9,370
Noncurrent liabilities	<u>173,717</u>	<u>207,591</u>
Total liabilities	<u>184,962</u>	<u>216,961</u>
Deferred inflows of resources	<u>63,775</u>	<u>49,057</u>
Net position:		
Invested in capital assets	24,910	28,332
Unrestricted	<u>39,370</u>	<u>11,422</u>
Total net position	<u>\$ 64,280</u>	<u>\$ 39,754</u>

**PALM BEACH SOIL & WATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

The following table highlights the changes in net position for the years ended September 30:

	<u>2024</u>	<u>2023</u>
Revenues:		
General government	\$ 201,159	\$ 222,280
Conservation activities	306,399	275,694
General revenues	<u>2,715</u>	<u>92</u>
Total revenues	<u>501,273</u>	<u>498,066</u>
Expenditures:		
General government	426,006	408,921
Conservation programs	<u>59,741</u>	<u>57,982</u>
Total expenditures	<u>485,747</u>	<u>466,903</u>
Increase(decrease) in net position	24,526	(1,875)
Net position - beginning	<u>39,724</u>	<u>41,629</u>
Net position - ending	<u>\$ 64,280</u>	<u>\$ 39,754</u>

GENERAL FUND BUDGETARY HIGHLIGHTS

In July 2023, the District adopted the budget for fiscal year 2023-24. Total revenues budgeted for the fiscal year ended September 30, 2024, were \$526,090. Total expenditures budgeted for the year were \$526,090.

Actual total revenues of \$507,558 were \$14,632 less than budgeted revenues due to expenditures related to a reimbursement grant from the City of West Palm Beach were less than budgeted.

Total expenditures were \$47,181 less than budgeted for the year ended September 30, 2024 due to the following:

- Salaries and benefits were \$4,053 less than budgeted.
- Conservation program expenditures for auto expenses, equipment and supplies were \$8,027 less than budgeted.
- General and administrative expenditures were \$33,301 less than budgeted due to less than expected amounts spent on travel, insurance, printing and office supplies.

**PALM BEACH SOIL & WATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)**

CAPITAL ASSETS

At September 30, 2024, the District had \$46,410 invested in capital assets. In the government wide financial statements accumulated depreciation of \$21,500 has been taken, which resulted in a net book value of \$24,910. More detailed information about the District's capital assets is presented in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

It is anticipated the revenues and expenditures of the District will remain approximately the same for fiscal year 2024-2025.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, landowners, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages. If you have questions about this report or need additional financial information, contact the Palm Beach Soil & Water Conservation District at 420 South SR 7, Suite 162, Royal Palm Beach, Florida, 33414.

BASIC FINANCIAL STATEMENTS

**PALM BEACH SOIL & WATER CONSERVATION DISTRICT
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024**

	Governmental Activities
ASSETS	
Cash	\$ 202,223
Accounts receivable	43,396
Capital assets - net	24,910
Total assets	270,529
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts on pensions	42,488
LIABILITIES	
Accounts payable and accrued expenses	11,245
Non-current liabilities:	
Accrued vacation and sick leave	22,119
Accrued pension liability	151,598
Total liabilities	184,962
DEFERRED INFLOWS OF RESOURCES	
Deferred amounts on pensions	63,775
NET POSITION	
Investment in capital assets	24,910
Unrestricted	39,370
Total net position	\$ 64,280

**PALM BEACH SOIL & WATER CONSERVATION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Function/programs	Expenses	Program Revenues Charges for Services	Net (expense) Revenue and Changes in Net assets Governmental Activities
Primary government			
Governmental activities:			
General government	\$ 426,006	\$ 201,159	\$ (224,847)
Conservation activities	59,741	306,399	246,658
	485,747	507,558	21,811
General revenues:			
Interest income			2,671
Other income			44
			2,715
Total general revenues			24,526
Change in net position			39,754
Net position - beginning			64,280
Net position - ending			\$ 64,280

**PALM BEACH SOIL & WATER CONSERVATION DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024**

	General
ASSETS	
Cash	\$ 202,223
Accounts receivable	43,396
Total assets	\$ 245,619
LIABILITIES	
Accounts payable and accrued expenses	\$ 11,245
Total liabilities	11,245
FUND BALANCES	
Unassigned	234,374
Total fund balance	\$ 234,374
Total liabilities and fund balance	\$ 245,619

**PALM BEACH SOIL & WATER CONSERVATION DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2024**

Fund balance - governmental funds		\$ 234,374
<p style="margin-left: 40px;">Amounts reported for governmental activities in the statement of net assets are different because:</p>		
Deferred outflows of resources are reported as a result of changes in deferred amounts on pensions in the statement of net position		42,488
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds		
Cost of capital assets	46,410	
Accumulated depreciation	<u>(21,501)</u>	24,910
Long-term liabilities, are not due and payable in the current period, and therefore are not reported in the fund statements		
Compensated absences		(22,119)
Net pension liability		(151,598)
Deferred inflows of resources are reported as a result of changes in deferred amounts on pensions in the statement of net position		<u>(63,775)</u>
Net position of governmental activities		<u>\$ 64,280</u>

**PALM BEACH SOIL & WATER CONSERVATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	General
Revenues:	
Intergovernmental revenue	507,558
Interest income	2,671
Other revenues	44
Total revenue	510,273
Expenditures	
Current:	
Salaries and benefits	373,323
Conservation program	59,741
General and administrative	45,845
Total expenditures	478,909
Excess (deficiency) of revenues over (under) expenditures	31,364
Fund balance - beginning	203,010
Fund balance - ending	\$ 234,374

**PALM BEACH SOIL & WATER CONSERVATION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Net change in fund balances - total governmental funds	\$	31,364
Amounts reported for governmental activities in the statement of activities are different because:		
Changes in long-term compensated absences are reflected in the statement of activities but not in the fund financial statements		(1,429)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is depreciated over their estimated useful lives and reported as depreciation expense. Less current year depreciation		(3,423)
Net change in the liability for pensions and the deferred outflows and inflows of resources are reported in the government-wide statements, but not in the governmental fund statements		<u>(1,986)</u>
Change in net position of governmental activities	\$	<u>24,526</u>

**PALM BEACH SOIL & WATER CONSERVATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2024**

1. NATURE OF ORGANIZATION AND REPORTING ENTITY

The reporting Entity

Palm Beach Soil & Water Conservation District (the "District") was formed January 17, 1979, as a governmental sub-division of the State of Florida, and is authorized under Florida Statutes Chapter 582. The District forms partnerships with federal, state and local governments, as well as private organizations, to carry out a variety of environmental and educational programs, provide technical assistance and other services to help land users protect natural resources.

The District is an independent special district administered by a five member board of supervisors. For financial purposes, the District includes all of the funds and account groups relevant to the operation of the District. There are no separately administered organizations, which are controlled by, or dependent on the District. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board.

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States 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.

Financial Reporting Entity

As required by generally accepted accounting principles, these basic financial statements present the reporting entity of the District. Component units are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the District's financial statements to be misleading or incomplete. The primary government is considered financially accountable if it appoints a voting majority of an organization's governing body and imposes its will on that organization. The primary government may also be financially accountable if an organization is fiscally dependent on the primary government, regardless of the authority of the organization's governing board. Based on the application of these criteria, there were no component units that met the criteria described above.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-wide/Governmental Fund Financial Statements

The District is a special-purpose government engaged in one primary government activity, soil and water conservation. The District accounts for all financial resources in one fund, the General Fund, which includes all *government activities* of the District, which are supported primarily by intergovernmental revenues. Accordingly, the Government-wide and Governmental Fund financial Statements of the District are combined using a columnar format that reconciles individual line items of General Fund financial data to Government-wide data in separate columns on the face of the financial statements. The Government-wide financial statements consist of the Statement of Net Assets and the Statement of Activities.

**PALM BEACH SOIL & WATER CONSERVATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2024
(CONTINUED)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Presentation

The Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose the District considers revenues to be available if they are collected within sixty days of the end of the current fiscal year. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. Non-ad valorem assessments (special assessments) and interest on investments are susceptible to accrual and so have been recognized as revenues in the current period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Program Revenues

The District is contracted by government entities to perform specific activities and duties as outlined in Note 1. Charges and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. The portion of receivables due within the current fiscal period is considered to be susceptible to accrual as revenue of the current fiscal period. All other revenue items are considered to be measurable and available when cash is received by the District.

Budget

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- At the July or August board meeting, the District staff submits to the Board of Supervisors the proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing.
- Prior to October, the budget is approved by the Board of Supervisors.
- The Board of Supervisors must approve all budget changes.
- The budget for the General Fund is adopted on a basis consistent with accounting principles generally accepted in the United States of America for governmental entities.

Total budgeted amounts reflect all amendments approved by the Board of Supervisors. All annual appropriations lapse at the end of the fiscal year.

**PALM BEACH SOIL & WATER CONSERVATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2024
(CONTINUED)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

The District maintained cash balances at financial institutions which hold insurance provided by the Federal Depository Insurance Corporation. All deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or banking institution eligible collateral. In the event of the failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are insured or collateralized with securities held by the entity or its agent in the entity's name.

Investments

The District has elected to proceed under the Alternative Investment Guidelines as set forth in Section 218.415(17) Florida Statutes. The District may invest any surplus public funds in the following:

- a) The Local Government Surplus Trust Funds or any intergovernmental investment pool authorize pursuant to the Florida Interlocal Cooperation Act;
- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
- c) Interest bearing time deposits or savings accounts in qualified public depositories;
- d) Direct obligations of the U.S. Treasury;

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due. In addition, surplus funds may be deposited in certificates of deposit which are insured.

The District records all interest revenue related to investment activities in the general fund and reports investments at fair value.

The District did not report any investments in the current year.

Capital assets

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g. roads, sidewalks and similar items) are reported in the governmental activities columns of the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

**PALM BEACH SOIL & WATER CONSERVATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2024
(CONTINUED)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

In the governmental fund financial statements, amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported in the governmental fund financial statements.

Fund Balance/Net Position

In the fund financial statements, governmental funds report non-spendable and restricted fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change. Under GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, Fund balances are required to be reported according to the following classifications:

Non-spendable fund balance – Amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. “Not in spendable form” includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items such as long-term amounts of loans and notes receivable, as well as property acquired for resale.

Restricted fund balance – Amounts that can be spent only for a specific purpose stipulated by external resource providers such as creditors, grantors, contributors, or laws and regulations of other governments; or imposed by law through constitutional provisions or enacted legislation.

Committed fund balance – Amounts that can be used only for the specific purpose determined by a formal action of the Board of Supervisors. Commitments may be changed or lifted only by the Board of Supervisors taking the same formal action that originally imposed the constraint.

Assigned fund balance – Includes spendable fund balance amounts, established by the Board of Supervisors, that are intended to be used for specific purposes that are neither constrained nor committed.

Unassigned fund balance – Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the government fund. Unassigned fund balances may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

**PALM BEACH SOIL & WATER CONSERVATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2024
(CONTINUED)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenses/expenditures during the period reported. These estimates include assessing the collectability of receivables and useful lives and impairment of tangible assets, among others. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from estimates.

Basis of accounting

The general fund has been accounted for using the modified accrual basis of accounting. Revenues have been recognized in the period in which they became susceptible to accrual, which is when they became measurable and available to pay liabilities of the current period. Revenues are susceptible to accrual when collected in the current year or within 60 days subsequent to year-end, provided that amounts received pertain to billings through the fiscal year just ended. Interest is recorded when earned. Expenditures are recorded when the liability has been incurred.

PALM BEACH SOIL & WATER CONSERVATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2024
(CONTINUED)

3. CAPITAL ASSETS

Depreciation is computed using the straight-line method over a period of 10 years that was estimated as the useful lives of the underlying assets. The following is a summary of changes in capital assets for the fiscal year ended September 30, 2024:

	Beginning Balance	Additions	Deletions	Ending Bal- ance
Capital assets being depreciated				
Computer equipment	\$ 8,612	\$ -	\$ -	\$ 8,612
Office equipment	5,980	-	-	5,980
Public relations – banners	1,752	-	-	1,752
Office furniture	2,178	-	-	2,178
Vehicles	<u>27,888</u>	<u>-</u>	<u>-</u>	<u>27,888</u>
Total capital assets being depreciated	<u>\$ 46,410</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,410</u>
Less accumulated depreciation for:				
Computer equipment	\$ (1,892)	\$ (563)	\$ -	\$ (2,455)
Office equipment	(5,980)	(70)	-	(6,050)
Public relations – banners	(1,752)	-	-	(1,752)
Office furniture	(2,178)	-	-	(2,178)
Vehicles	<u>(6,275)</u>	<u>(2,790)</u>	<u>-</u>	<u>(9,065)</u>
Total accumulated depreciation	<u>\$ (18,077)</u>	<u>\$ (3,423)</u>	<u>\$ -</u>	<u>\$ (21,500)</u>
Total capital assets being depreciated, net	<u>28,333</u>	<u>(3,423)</u>	<u>-</u>	<u>24,910</u>
Governmental activities capital assets, net	<u>\$ 28,333</u>	<u>\$ (3,423)</u>	<u>\$ -</u>	<u>\$ 24,910</u>

Depreciation expense for the year ended September 30, 2024 was \$3,423.

4. ACCRUED VACATION AND SICK LEAVE

Vested and accumulated vacation leave that is expected to be utilized during the year was reported as an expenditure and fund liability of the General Fund. Unused vested and accumulated vacation leave is paid out to the employee upon termination. Sick leave benefits have been accrued since they are expected to be paid when an employee retires or otherwise terminates employment. The following is a summary of changes in accrued vacation and sick leave for the year ended September 30, 2024:

	Beginning Balance	Additions	Reductions	Ending Balance	Due in less than one year
Governmental activities					
Accrued vacation and sick leave	<u>\$20,689</u>	<u>\$19,412</u>	<u>(\$17,981)</u>	<u>\$22,119</u>	<u>\$ -</u>

**PALM BEACH SOIL & WATER CONSERVATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2024
(CONTINUED)**

5. LEASE COMMITMENT

The District is provided office space by The Natural Resources Conservation Service (the "Service"). The Service has not charged the District rent and management expects this policy to remain in effect.

6. DEFINED BENEFIT PENSION PLANS

Background

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 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.

Essentially all regular employees of the District are eligible 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.myflorida.com).

The District's pension expense totaled \$1,986 for both the FRS Pension Plan and HIS Plan for the fiscal year ended September 30, 2024.

Florida Retirement System Pension Plan

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (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.
- Senior Management Service Class (SMSC)– Members in senior management level positions.
- Special Risk Class– Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

**PALM BEACH SOIL & WATER CONSERVATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2024
(CONTINUED)**

6. DEFINED BENEFIT PENSION PLANS (continued)

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the FRS 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, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS 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, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS 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 FRS 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 FRS 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 FRS 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:

**PALM BEACH SOIL & WATER CONSERVATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2024
(CONTINUED)**

6. DEFINED BENEFIT PENSION PLANS (continued)

<u>Class, Initial Enrollment, and Retirement Age/Years of Service:</u>	<u>% Value</u>
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement up to age 63 or up to 31 years of service	1.63
Retirement up to age 64 or up to 32 years of service	1.65
Retirement up to age 65 or up to 33 years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement up to age 66 or up to 34 years of service	1.63
Retirement up to age 67 or up to 35 years of service	1.65
Retirement up to age 68 or up to 36 years of service	1.68
Elected District Officers	3.00
Senior Management Service Class	2.00
Special Rick Regular	
Service from December 1, 1970, through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

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. FRS 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. Effective July 1, 2011, all FRS Plan members (except those in DROP) are required to make 3% employee contributions on a pretax basis. The contribution rates attributable to the District, effective July 1, 2023, were applied to employee salaries as follows: regular class 13.57%. The District's contributions to the FRS Plan was \$36,416 for the year ended September 30, 2024.

**PALM BEACH SOIL & WATER CONSERVATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2024
(CONTINUED)**

6. DEFINED BENEFIT PENSION PLANS (continued)

Pension Costs

At September 30, 2024, the District reported a liability of \$57,950 for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The District's proportion of the net pension liability was based on the District's contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2020, through June 30, 2024, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2024, the District's proportion was 0.000149802 %, which was a decrease of 0.000059238% from its proportion measured as of June 30, 2023.

For the year ended September 30, 2024, the District recognized pension expense of \$(476) for its proportionate share of FRS's pension expense. In addition, the District reported its proportionate share of FRS's deferred outflows of resources and deferred inflows of resources from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 5,855	\$ -
Changes in actuarial assumptions	7,943	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between district contributions and proportionate share of contributions	15,432	44,696
District contributions subsequent to measurement date	-	-
Total	<u>\$29,230</u>	<u>\$44,696</u>

\$0 reported as deferred outflows of resources related to pensions resulting from District contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

**PALM BEACH SOIL & WATER CONSERVATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2024
(CONTINUED)**

6. DEFINED BENEFIT PENSION PLANS (continued)

<u>Year ending September 30,</u>	<u>Amount</u>
2025	(2,666)
2026	(3,562)
2027	(4,705)
2028	(10,348)
2029	(5,729)
Thereafter	(1,068)

Actuarial Assumptions

The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40% per year
Salary increases	3.50%, average, including inflation
Discount rate	6.70%
Long-term expected rate of return	6.70%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB. The actuarial assumptions used in the July 1, 2024, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation, as outlined in the FRS Plan's investment policy 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</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	3.3%	3.3%	1.1%
Fixed income	29.0%	5.7%	5.6%	3.9%
Global equity	45.0%	8.6%	7.0%	18.2%
Real estate (property)	12.0%	8.1%	6.8%	16.6%
Private equity	11.10	12.4%	8.8%	28.4%
Strategic investments	2.0%	6.6%	6.2%	8.7%
Total	<u>100.0%</u>			
Assumed inflation - Mean			2.4%	1.5%

**PALM BEACH SOIL & WATER CONSERVATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2024
(CONTINUED)**

6. DEFINED BENEFIT PENSION PLANS (continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.70% for the FRS Plan. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Liability Sensitivity

The following presents the District's proportionate share of the net pension liability for the FRS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

<u>Description</u>	<u>1% Decrease in Discount Rate</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
FRS Plan Discount Rate	5.70%	6.70%	7.70%
District's proportionate share of the FRS Plan Net Pension Liability	\$13,967	\$57,950	\$94,794

Pension Plan Fiduciary Net Position

Detailed information about the FRS Plan's fiduciary's net position is available in a separately-issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. That report may be obtained through the Florida Department of Management Services' website <http://www.dms.myflorida.com>.

Retiree Health Insurance Subsidy Program

Plan Description

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

Benefits Provided

For the fiscal year ended June 30, 2024, 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.

**PALM BEACH SOIL & WATER CONSERVATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2024
(CONTINUED)**

6. DEFINED BENEFIT PENSION PLANS (continued)

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 June 30, 2024, the contribution rate was 1.66 percent of payroll pursuant to section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding 3 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 the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The District's contributions to the HIS Plan were \$4,320 for the year ended September 30, 2024.

Pension Costs

At September 30, 2024, the District reported a liability of \$93,648 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The District's proportion of the net pension liability was based on the District's contributions received during the measurement period for employer payroll paid dates from July 1, 2023, through June 30, 2024, relative to the total employer contributions received from all participating employers. At June 30, 2024, the District's proportion was 0.000624281%, which was an decrease of 0.00000028098% from its proportion measured as of June 30, 2023. For the year ended September 30, 2024, the District recognized pension expense of \$2,462 for its proportionate share of HIS's pension expense. In addition, the District reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 904	\$ 180
Changes in actuarial assumptions	1,657	11,087
Net difference between projected and actual earnings on HIS program investments	-	34
Changes in proportion and differences between district contributions and proportionate share of contributions	10,697	7,778
District contributions subsequent to measurement date	-	-
Total	<u>\$ 13,258</u>	<u>\$ 19,079</u>

**PALM BEACH SOIL & WATER CONSERVATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2024
(CONTINUED)**

6. DEFINED BENEFIT PENSION PLANS (continued)

\$947 reported as deferred outflows of resources related to pensions resulting from District contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Year ending September 30,</u>	<u>Amount</u>
2025	\$ 2,756
2026	2,626
2027	1,932
2028	439
2029	(994)
Thereafter	(1,085)

Actuarial Assumptions

The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40% per year
Salary increases	3.50%, average, including inflation
Discount rate	3.93%
Long-term expected rate of return	3.93%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB. The actuarial assumptions used in the July 1, 2024, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

Discount Rate

The discount rate used to measure the total pension liability was 2.21% for the HIS Plan. 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.

Pension Liability Sensitivity

The following presents the District's proportionate share of the net pension liability for the HIS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

**PALM BEACH SOIL & WATER CONSERVATION DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FISCAL YEAR ENDED SEPTEMBER 30, 2024
 (CONTINUED)**

6. DEFINED BENEFIT PENSION PLANS (continued)

<u>Description</u>	<u>1% Decrease in Discount Rate</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
HIS Plan Discount Rate	2.96%	3.93%	4.93%
District's proportionate share of the HIS Plan Net Pension Liability	\$80,690	\$93,648	\$104,405

Pension Plan Fiduciary Net Position

Detailed information about the HIS Plan's fiduciary's net position is available in a separately-issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. That report may be obtained through the Florida Department of Management Services' website <http://www.dms.myflorida.com>.

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. The District purchases commercial insurance for property, general liability, non-ownership automobile liability, and public official's liability. There were no changes in insurance coverage from the prior year and there were no settlements which exceeded insurance coverage.

The District is also covered by Florida Statutes under the Doctrine of Sovereign Immunity which effectively limits the amount of liability of the District to individual claims of \$100,000 and \$200,000 for all claims relating to the same accident.

8. SUBSEQUENT EVENTS

Management has performed an evaluation of subsequent events up to the date the financial statements were available to be issued, which was March 27, 2024 and had determined that there were no events that would require modification of the financial statements or disclosure in the notes to the financial statements.

**REQUIRED SUPPLEMENTARY
INFORMATION**

**PALM BEACH SOIL & WATER CONSERVATION DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FISCAL YEAR ENDED SEPTEMBER 30, 2024**

The District is required to establish a budgetary system and an approved Annual Budget for the General Fund. The District's budgeting process is based on estimates of cash receipts and cash expenditures which are approved by the Board. The budget approximates a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles).

The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2024.

General fund revenues were \$15,817 more than budgeted for the year ended September 30, 2024. This variance was largely due to higher than budgeted grant revenues received from a reimbursement grant. General fund expenses were \$47,181 less than budgeted due to less spent for conservation programs related to the reimbursement grant, travel, insurance, printing and office supplies. In addition, conservation program vehicle maintenance and equipment/supply expenses were lower than budgeted.

**PALM BEACH SOIL & WATER CONSERVATION DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	Budget		Actual	Variance favorable (unfavorable)
	Original	Final		
Revenues:				
Intergovernmental	\$ 474,706	\$ 522,190	\$ 507,558	\$ (14,632)
Interest	3,900	3,900	2,671	(1,229)
Other revenues	-	-	44	44
	<u>478,606</u>	<u>526,090</u>	<u>510,273</u>	<u>(15,817)</u>
Expenditures:				
Current operating:				
Salaries and benefits	362,538	377,376	373,323	4,053
Conservation program	44,350	67,768	59,741	8,027
Education	1,800	1,800	-	1,800
General and administrative	69,918	79,146	45,845	33,301
Total expenditures	<u>478,606</u>	<u>526,090</u>	<u>478,909</u>	<u>47,181</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,364</u>	<u>\$ 31,364</u>

OTHER INFORMATION

**PALM BEACH SOIL & WATER CONSERVATION DISTRICT
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM PENSION PLAN
SEPTEMBER 30, 2024****

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.000149802%	0.000209040%	0.000344024%	0.000326188%	0.000190763%	0.000233686%	0.000187430%	0.000168784%	0.000157435%	0.000184879%
District's proportionate share of the net pension liability (asset)	\$ 57,950	\$ 83,296	\$ 128,005	\$ 24,640	\$ 82,680	\$ 80,478	\$ 56,455	\$ 49,925	\$ 39,752	\$ 23,880
District's covered-employee payroll	\$ 267,508	\$ 260,211	\$ 242,827	\$ 234,030	\$ 166,738	\$ 166,510	\$ 158,124	\$ 143,831	\$ 143,762	\$ 138,512
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	21.66%	32.01%	52.71%	10.53%	49.59%	48.33%	35.70%	34.71%	27.65%	17.24%
Plan fiduciary net position as a percentage of the total pension liability	110.92%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

** The amounts presented for each fiscal year were determined as of 6/30.

**PALM BEACH SOIL & WATER CONSERVATION DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM PENSION PLAN
SEPTEMBER 30, 2024****

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 27,420	\$ 26,672	\$ 26,274	\$ 23,403	\$ 14,123	\$ 13,188	\$ 12,523	\$ 10,816	\$ 10,811	\$ 10,416
Contributions in relation to the contractually required contribution	(27,420)	(26,672)	(26,274)	(23,403)	(14,123)	(13,838)	(15,310)	(14,529)	(12,556)	(12,855)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (650)	\$ (2,787)	\$ (3,713)	\$ (1,745)	\$ (2,439)
District's covered-employee payroll	\$ 267,508	\$ 260,211	\$ 242,827	\$ 234,030	\$ 166,738	\$ 166,510	\$ 158,124	\$ 143,831	\$ 143,762	\$ 138,512
Contributions as a percentage of covered-employee payroll	10.25%	10.25%	10.82%	10.00%	8.47%	7.92%	7.92%	7.52%	7.52%	7.52%

** The amounts presented for each fiscal year were determined as of 6/30.

**PALM BEACH SOIL & WATER CONSERVATION DISTRICT
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
HEALTH INSURANCE SUBSIDY PENSION PLAN
SEPTEMBER 30, 2024****

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.000624281%	0.000652379%	0.000674762%	0.000653543%	0.000452148%	0.000516963%	0.0004595%	0.0004484%	0.0004469%	0.0004488%
District's proportionate share of the net pension liability (asset)	\$ 93,648	\$ 103,606	\$ 71,468	\$ 80,167	\$ 55,207	\$ 57,843	\$ 48,636	\$ 47,973	\$ 52,082	\$ 45,769
District's covered-employee payroll	\$ 267,508	\$ 260,211	242827	\$ 234,030	\$ 166,738	\$ 166,510	\$ 158,124	\$ 143,831	\$ 143,762	\$ 138,512
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	35.01%	39.82%	29.43%	34.26%	33.11%	34.74%	30.76%	33.35%	36.23%	33.04%
Plan fiduciary net position as a percentage of the total pension liability	4.81%	4.81%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

** The amounts presented for each fiscal year were determined as of 6/30.

**PALM BEACH SOIL & WATER CONSERVATION DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
HEALTH INSURANCE SUBSIDY PENSION PLAN
SEPTEMBER 30, 2024****

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	4,441	4,320	4,031	3,885	2,768	2,492	2,492	2,373	2,291	\$ 1,716
Contributions in relation to the contractually required contribution	\$ (4,441)	\$ (4,320)	(4,031)	\$ (3,885)	\$ (2,768)	\$ (2,492)	\$ (2,492)	\$ (2,373)	\$ (2,291)	\$ (1,716)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 267,508	\$ 260,211	242,827	\$ 234,030	\$ 166,738	\$ 166,510	\$ 158,124	\$ 143,831	\$ 143,762	\$ 138,512
Contributions as a percentage of covered-employee payroll	1.66%	1.66%	1.66%	1.66%	1.66%	1.50%	1.58%	1.65%	1.59%	1.24%

** The amounts presented for each fiscal year were determined as of 6/30.

**PALM BEACH SOIL & WATER CONSERVATION DISTRICT
DATA ELEMENTS REQUIRED BY SECTION 218.39(3)(c), FLORIDA STATUTES, AND SECTIONS
10.554(1)(i)6 AND 10.554(1)(i)(7), RULES OF THE AUDITOR GENERAL
(UNAUDITED)**

<u>Element</u>	<u>Comments</u>
Number of District employees compensated at 9/30/2024	4
Number of independent contractors compensated in September 2024	1
Employee compensation for FYE 9/30/2024 (paid/accrued)	\$267,508
Independent contractor compensation for FYE 9/30/2024	\$-
Construction projects that began on or after October 1 st : (>\$65k)	None
Budget variance report	See page 29 of financial report

COMPLIANCE SECTION



BRUNT MATZ GROUP PA

CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Supervisors
Palm Beach Soil & Water Conservation District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of Palm Beach Soil & Water Conservation District (the District), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 27, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) 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. 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 may exist that have not been 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, 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.

Brent Metz Group, P.A., CPAs

Davie, Florida
March 27, 2025



BRUNT MATZ GROUP PA
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT ACCOUNTANTS' REPORT ON DISTRICT'S COMPLIANCE WITH SECTION 218.415
FLORIDA STATUTES, REGARDING THE INVESTMENT OF PUBLIC FUNDS**

To the Board of Supervisors
Palm Beach Soil & Water Conservation District

We have examined Palm Beach Soil & Water Conservation District's (the District) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2024. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

We are required to be independent and meet our ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the district's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2024.

This report is intended solely to describe our testing on compliance with Section 218.418, Florida Statutes, for the fiscal year ended September 30, 2024.

Brunt Matz Group, P.A., CPAs

Davie, Florida
March 27, 2025



**MANAGEMENT LETTER PURSUANT TO THE
RULES OF THE AUDITOR GENERAL FOR
THE STATE OF FLORIDA**

To the Board of Supervisors
Palm Beach Soil & Water Conservation District

We have audited the accompanying general purpose financial statements of the Palm Beach Soil & Water Conservation District, West Palm Beach, Florida (the District) as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated March 27, 2024.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 100.550, Rules of the Auditor General. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement.

In addition, we have issued our Report on Internal Control over Financial Reporting and Compliance and Other Matters dated March 27, 2024. Disclosures in that report should be considered in conjunction with this management letter.

The purpose of this letter is to comment on those matters described in Rule 10.554(1)(f) as required by the Rules of the Auditor General for the State of Florida. Accordingly, in connection with our audit of the general-purpose financial statements of the District, as described in the first paragraph, we report the following, which is included on the following page.

We have organized our comments in the following manner:

- I. Status of prior year findings and recommendations.
- II. Current year findings and recommendations.
- III. Compliance with the Provisions of the Auditor General of the State of Florida.

This report is intended for the information of the members of the Board of Supervisors, management, and the Auditor General of the State of Florida. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Data elements required by Florida Statute 213.39(3)(c) are presented on page 34.

Brunt Matz Group, P.A., CPAs

March 27, 2025

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

No findings in current year

II. STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

No findings in prior year

III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report.

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2024, except as noted above.

2. A statement as to whether or not the local governmental entity complied with Section 218.415, Florida Statutes regarding the investment of public funds.

The District complied with Section 218.415, Florida Statutes, regarding the investment of public funds.

3. Any recommendations to improve the local governmental entity's financial management.

There are no such matters discovered, or that came to attention of, the auditor, to be reported for the fiscal year ended September 30, 2024, except as noted above.

4. Violations of 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 more than inconsequential.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2024, except as noted above.

5. For matters that have an inconsequential effect on the financial statements, considering both the quantitative and qualitative factors, the following may be reported based on professional judgment:

- a. Violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse.
- b. Deficiencies in internal control that are not significant deficiencies.

There were no such matters discovered by, or that came to the attention of the auditor, that in our judgment are required to be reported, for the fiscal year ended September 30, 2024, except as noted above.

6. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.

7. The financial report filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes agrees with the September 30, 2024 financial audit report.

8. The District has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.

9. We applied financial condition assessment procedures pursuant to Rule 10.556(7) and no deteriorating financial conditions were noted. It is management's responsibility to monitor 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.