

TOWN OF ST. LUCIE VILLAGE, FLORIDA
Financial Statements
September 30, 2022

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Alderman
Town of St. Lucie Village, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Town of St. Lucie Village, Florida (the "Town") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Town'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 and each major fund of the Town as of September 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Town 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 Town'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

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therefore is not a guarantee that an audit conducted in accordance with generally accepted 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, 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 Town'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 Town'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 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 14, 2023, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

We have also issued our report dated June 14, 2023 on our consideration of the Town's compliance with requirements of Section 218.415, Florida Statutes, as required by Rule 10.556(10) of the Auditor General of the State of Florida. The purpose of that report is to provide an opinion based on our examination conducted in accordance with attestation Standards established by the American Institute of Certified Public Accountants.

DiBartolomeo, McBee, Hartley & Barnes

DiBartolomeo, McBee, Hartley and Barnes, P.A.
Fort Pierce, Florida
June 14, 2023

TOWN OF ST. LUCIE VILLAGE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS

The Town of St. Lucie Village (the "Town"), Saint Lucie County, Florida discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Town's financial activity and financial statements, (c) identify changes in the Town's financial position, (d) identify any material deviations from the Town's budget, and (e) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Auditor's Report (beginning on page 1) and the Town's financial statements (beginning on page 6.)

FINANCIAL HIGHLIGHTS

The following are the highlights of financial activity in government wide financials for the year ended September 30, 2022. The Town's total revenues were \$778,883, which includes \$319,545 from The American Rescue Plan, \$218,416 from taxes, \$80,308 from charges from services and \$106,325 from intergovernmental activity.

During the year, the Town had expenses of \$352,653 for governmental activities, which was \$426,230 less than the \$778,883 generated in revenue.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and Combined Balance Sheet (page 6) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund Financial Statements begin on page 6. For governmental activities, these Statements tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the Town's operations in more detail by providing information about the Town's most significant funds.

REPORTING THE TOWN AS A WHOLE

Our analysis of the Town as a whole begins on page 4. One of the most important questions asked about the Town's finances is, "Is the Town 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 Town as a whole and about its activities in a way that helps answer this question. These Statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used in most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two Statements report the Town's net position and changes in them. You can think of the Town's net position – the difference between assets and liabilities – as one way to measure the Town's financial health, or financial position. Over time, *increases* or *decreases* in the Town's net position, is one indicator of whether its *financial* health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Town's property tax base and the condition of the Town's roads, equipment, and buildings to assess the overall health of the Town.

Governmental Activities

The change in net position of governmental activities was \$434,644

Debt

As of September 30, 2022 the Town had no long-term debt.

THE TOWN'S FUNDS

Governmental Type Funds

As of year-end, the governmental funds (as presented on page 7) reported a combined fund balance of \$860,799 which is a 98% increase from the beginning of the year at \$434,569. Several of the governmental fund expenditures are capital expenditures related and, therefore, may reflect capital expenditures (which are reflected in the current financial resource-based Fund Financial Statements) as a spending of a portion of available net position or an increase in net position from unspent net position. The General Fund experienced a net increase of \$426,915.

Special Revenue Fund

As of year-end, the special revenue fund (as presented on page 6) reported a fund balance of \$49,480 which is a 1% decrease from the beginning of the year.

GENERAL FUND BUDGETARY HIGHLIGHTS

An operating budget was adopted and maintained by the governing board for the town pursuant to the requirements of the Florida statutes. The budget is adopted using the same basis of accounting that is used in the preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget is in the aggregate. Budget amendments must be approved. Actual general fund expenditures were lower than appropriations for the year ended September 30, 2022 by \$103,245.

CONTACTING THE TOWN'S FINANCAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional information, contact the Town at Town of St. Lucie Village, P.O. Box 3878, Ft. Pierce, Florida 34948.

TOWN OF ST. LUCIE VILLAGE, FLORIDA
GOVERNMENTAL FUNDS BALANCE SHEET/STATEMENT OF NET POSITION
Year Ended September 30, 2022

	<u>GOVERNMENTAL ACTIVITIES</u>			<u>ADJUSTMENTS (NOTE B)</u>	<u>STATEMENT OF NET POSITION</u>
	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE</u>	<u>TOTAL</u>		
<u>ASSETS</u>					
Cash	\$ 788,561	\$ 63,309	\$ 851,870	\$ -	\$ 851,870
Due from other governments	21,087	-	21,087	-	21,087
Due from special revenue	13,829	-	13,829	-	13,829
Capital Assets	-	-	-	2,237,359	2,237,359
TOTAL ASSETS	<u>\$ 823,477</u>	<u>\$ 63,309</u>	<u>\$ 886,786</u>	<u>\$ 2,237,359</u>	<u>\$ 3,124,145</u>
 <u>LIABILITIES AND FUND EQUITY/NET POSITION</u>					
LIABILITIES					
Accounts payable	\$ 12,158	\$ -	\$ 12,158	\$ -	\$ 12,158
Due to general fund	-	13,829	13,829	-	13,829
TOTAL LIABILITIES	12,158	13,829	25,987	-	25,987
 FUND EQUITY/NET POSITION					
Investment in capital assets	-	-	-	2,237,359	2,237,359
Restricted	-	49,480	49,480	-	49,480
Unassigned	811,319	-	811,319	-	811,319
TOTAL FUND EQUITY/NET POSITION	<u>811,319</u>	<u>49,480</u>	<u>860,799</u>	<u>2,237,359</u>	<u>3,098,158</u>
TOTAL LIABILITIES AND FUND EQUITY/NET POSITION	<u>\$ 823,477</u>	<u>\$ 63,309</u>	<u>\$ 886,786</u>	<u>\$ 2,237,359</u>	<u>\$ 3,124,145</u>

The accompanying notes are an integral part of this financial statement

TOWN OF ST. LUCIE VILLAGE, FLORIDA
STATEMENT OF GOVERNMENTAL REVENUES, EXPENDITURES AND CHANGES IN
FUND BLANCE/STATEMENT OF ACTIVITIES
Year Ended September 30, 2022

	<u>GOVERNMENTAL ACTIVITIES</u>			ADJUSTMENTS (NOTE B)	STATEMENT OF ACTIVITIES
	GENERAL	SPECIAL	TOTAL		
	FUND	REVENUE			
REVENUE					
Taxes	\$ 218,416	\$ -	\$218,416	\$ -	\$ 218,416
Licenses and permits	24,535	-	24,535	-	24,535
Intergovernmental	106,325	-	106,325	-	106,325
Charges for services	80,308	-	80,308	-	80,308
Interest	36	-	36	-	36
Contributions and donations	-	17,208	17,208	-	17,208
Rent	-	8,563	8,563	-	8,563
American rescue plan funding	319,545	-	319,545	-	319,545
Miscellaneous	3,947	-	3,947	-	3,947
TOTAL REVENUES	<u>753,112</u>	<u>25,771</u>	<u>778,883</u>	<u>-</u>	<u>778,883</u>
EXPENDITURES					
General Government	217,519	27,919	245,438	(8,414)	237,024
Physical Environment	63,888	-	63,888	-	63,888
Transportation	-	-	-	-	-
Culture and Recreation	21,448	21,879	43,327	-	43,327
TOTAL EXPENDITURES	<u>302,855</u>	<u>49,798</u>	<u>352,653</u>	<u>(8,414)</u>	<u>344,239</u>
EXCESS REVENUES OVER					
(UNDER) EXPENDITURES	450,257	(24,027)	426,230	8,414	434,644
OTHER FINANCING SOURCES/(USES):					
Transfers	(23,342)	23,342	-	-	-
TOTAL OTHER SOURCES (USES)	<u>(23,342)</u>	<u>23,342</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS REVENUES OVER					
(UNDER) EXPENDITURES	426,915	(685)	426,230	8,414	434,644
AND OTHER SOURCES (USES)					
FUND BALANCE					
Beginning of year	384,404	50,165	434,569	2,228,945	2,663,514
End of year	<u>\$ 811,319</u>	<u>\$ 49,480</u>	<u>\$860,799</u>	<u>\$ 2,237,359</u>	<u>\$ 3,098,158</u>

The accompanying notes are an integral part of this financial statement

TOWN OF ST. LUCIE VILLAGE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES – BUDGET TO ACTUAL – GENERAL
FUND
Year Ended September 30, 2022

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUE			
Taxes	\$ 197,000	\$ 218,416	\$ 21,416
Licenses and permits	16,600	24,535	7,935
Intergovernmental	85,000	106,325	21,325
Charges for services	72,000	80,308	8,308
Interest	30	36	6
American rescue plan funding	-	319,545	319,545
Miscellaneous	500	3,947	3,447
TOTAL REVENUES	<u>371,130</u>	<u>753,112</u>	<u>381,982</u>
EXPENDITURES			
General Government	214,600	217,519	(2,919)
Public Safety	1,500	-	1,500
Physical Environment	65,000	63,888	1,112
Transportation	109,000	-	109,000
Culture and Recreation	16,000	21,448	(5,448)
TOTAL EXPENDITURES	<u>406,100</u>	<u>302,855</u>	<u>103,245</u>
EXCESS OF REVENUES OVER EXPENDITURES	(34,970)	450,257	485,227
OTHER FINANCING SOURCES:			
Transfers	-	(23,342)	(23,342)
TOTAL OTHER SOURCES (USES)	-	(23,342)	(23,342)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER SOURCES	<u>(34,970)</u>	<u>426,915</u>	<u>461,885</u>
FUND BALANCE			
Beginning of year		<u>384,404</u>	
End of year		<u>\$ 811,319</u>	

The accompanying notes are an integral part of this financial statement

TOWN OF ST. LUCIE VILLAGE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town conform to generally accepted accounting principles applicable to local governmental units. The following is a summary of the more significant policies:

Reporting Entity

The Town of St. Lucie Village, Florida (the ‘Town’) was incorporated on May 6, 1961 in accordance with the provisions of Chapter 165, Florida Statutes. The Town operates under an aldermanic form of government, consisting of a Mayor and a five-member Board of Aldermen (the “Board”). The Town provides services to its residents in many areas, including zoning, code enforcement, community enrichment and development, and general administrative services.

Basis of Presentation

Government-wide Financial Statements - Government-wide financial statements, including the statement of net position and statement of activities, present information about the Town as a whole. These statements include the non-fiduciary financial activity of the primary government and its component units.

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the Town’s governmental activities. Town expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the Town.

The effects of inter-fund activity have been eliminated from the government-wide financial statements.

Fund Financial Statements - Fund financial statements report detailed information about the Town in the governmental, proprietary, and fiduciary funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Non-major funds are aggregated and reported in a single column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, the reconciliation is presented with each of the governmental fund financial statements

TOWN OF ST. LUCIE VILLAGE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Major Governmental Fund Types

General Fund - The general fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund – special revenue funds are established to account for the proceeds of specific revenue sources other than expendable trust or major capital projects requiring separate accounting because of legal or regulatory provisions or administrative action.

In the fund financial statements, governmental funds report non spendable and restricted fund balance 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 amount of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

Restricted fund balance – Amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board. Commitments may be changed or lifted only by the Board taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

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

TOWN OF ST. LUCIE VILLAGE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 general fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

Cash and Cash Equivalents

Florida Statutes require state and local governmental units to deposit monies with a financial institution classified as a “Qualified Public Depository,” which is a state insurance pool for banks and other financial institutions. The pool requires each bank to render as collateral a percentage of all state and local monies on deposit. Upon default of a particular financial institution within the pool, the pooled collateral is used to reinstate the state and local government deposits. This pool is additional insurance above the federal depository insurance. The Town has cash deposits only with qualifying institutions as of September 30, 2022.

Investments

Credit Risk:

Florida Statutes require the money market mutual funds held by the Town to have the highest credit quality rating from a nationally recognized rating agency.

Interest Rate Risk:

Florida Statutes state that the investment portfolio be structured in such manner as to provide sufficient liquidity to pay obligations as they come due. All holdings are currently invested to meet current obligations.

Concentration of Credit Risk:

The Town places no limit on the amount the Town may invest in any one issuer. More than 5% of the Town’s investments are with one issuer.

Budgetary Data

The operating budget includes proposed expenditures and the sources of receipts. The budget is adopted on a basis consistent with generally accepted accounting principles. The Town does not budget capital projects funds.

TOWN OF ST. LUCIE VILLAGE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, sidewalks and similar items) are reported in the government activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 (amount not rounded) and an estimated useful life in excess of one year. 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.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the Town are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Improvements	10-20
Infrastructure	20-40
Vehicles	0-5

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.

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Deferred Outflows/Inflows of Resources

The statement of net position reports, as applicable, a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to the future reporting period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. For example, the Town would record deferred outflows of resources related to debit amounts resulting from current and advance refunding resulting in the defeasance of debt (i.e. when there are differences between the reacquisition price and the net carrying amount of old debt).

TOWN OF ST. LUCIE VILLAGE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The statement of net position reports, as applicable, a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to future reporting period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For example, when an asset is recorded in the governmental fund financial statements, but the revenue is not available, the District reports a deferred inflow of resources until such times as the revenue becomes available.

TOWN OF ST. LUCIE VILLAGE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE B – RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION/RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES

Amounts reported for governmental activities in the statement of net position are different because:

Ending fund balance - governmental funds	\$ 860,799
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	
Governmental Capital Assets	2,738,147
Less Accumulated Depreciation	(500,788)
	<hr/>
Net position of governmental activities	<u><u>\$ 3,098,158</u></u>

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

Net change in fund balances - total governmental funds	\$ 426,230
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	
Capital Outlay	12,846
Depreciation	(4,432)
	<hr/>
Change in net position of governmental activities	<u><u>\$ 434,644</u></u>

TOWN OF ST. LUCIE VILLAGE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE C – PROPERTY AND EQUIPMENT

Capital asset activity for the fiscal year ended September 30, 2022 was as follows:

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 2,209,850	\$ -	\$ -	\$ 2,209,850
Total Capital Assets, not being Depreciated:	<u>2,209,850</u>	<u>-</u>	<u>-</u>	<u>2,209,850</u>
Capital Assets, being Depreciated:				
Buildings and Improvements	496,480	12,846	-	509,326
Vehicles	18,971	-	-	18,971
	<u>515,451</u>	<u>12,846</u>	<u>-</u>	<u>528,297</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	477,385	4,432	-	481,817
Vehicles	18,971	-	-	18,971
	<u>496,356</u>	<u>4,432</u>	<u>-</u>	<u>500,788</u>
TOTALS	<u>\$ 2,228,945</u>	<u>\$ 8,414</u>	<u>\$ -</u>	<u>\$ 2,237,359</u>

Depreciation expense is reported as general governmental and physical environment expenses in the statement of activities.

INDEPENDENT AUDITOR'S 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*

Town of St. Lucie Village, Florida
Saint Lucie County, Florida

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Town of St. Lucie Village, Florida as of and for the year ended September 30, 2022, which collectively comprise the Town of St. Lucie Village, Florida's basic financial statements and have issued our report thereon dated June 14, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures 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 Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town'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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

This report is intended 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 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.

DiBartolomeo, McBee, Hartley & Barnes

DiBartolomeo, McBee, Hartley & Barnes, P.A.
Fort Pierce, Florida
June 14, 2023

Independent Auditor's Report on Compliance with the Requirements of Section 218.415, Florida Statutes Required by Rule 10.556(10) of the Auditor General of the State of Florida

Town of St. Lucie Village
Saint Lucie County, Florida

We have examined the Town's compliance with the requirements of Section 218.415, Florida Statutes with regards to the Town's investments during the year ended September 30, 2022. Management is responsible for the Town'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 Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Town's compliance with specified requirements.

In our opinion, the Town complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

DiBartolomeo, McBee, Hartley & Barnes

DiBartolomeo, McBee, Hartley & Barnes, P.A.
Fort Pierce, FL
June 14, 2023

Management Letter

Town of St. Lucie Village, Florida
Saint Lucie County, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of St. Lucie Village, Florida as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 14, 2023.

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 Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 14, 2023, 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 significant findings and recommendations made in the preceding annual financial audit. There were no findings noted in the preceding year's audit, with the exception of 2016-1. This finding was noted in the prior fiscal year audit reports.

2016-1 Organizational Structure

The size of the Town's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimal segregation of duties.

We recommend that the Board remain involved in the financial affairs of the Town to provide oversight and review functions to assist the segregation of duties in the accounting department.

Response:

The Board receives monthly account registers in addition to other financial data. They have a dual signature policy in order to create mitigating controls. The Town is in the process of reviewing and implementing additional procedures in order to strengthen the internal controls with the limited staff available.

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 information required is disclosed in the notes to the financial statements.

Financial Condition

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the 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 District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Town of St. Lucie Village Florida reported:

- a. The total number of district employees compensated in the last pay period of the District's fiscal year as 4.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as \$0.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$54,486.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$0.
- e. The Town does not have any construction project with a total cost of at least \$65,000 that are scheduled to begin on or after October 1 of the fiscal year being reported.
- f. The District did not amend its final adopted budget under Section 189.016(6), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the Town of St. Lucie Village, Florida reported:

- a. The rate or rates of non-ad valorem special assessments imposed by the District range from \$0 to \$0 per residential unit.
- b. The total amount of special assessments collected by or on behalf of the District as \$0.
- c. The total amount of outstanding bonds issued by the district as \$0.

Additional Matters

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

Purpose of this Letter

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

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

DiBartolomeo, McBee, Hartley & Barnes

DiBartolomeo, McBee, Hartley & Barnes, P.A.

Fort Pierce, FL

June 14, 2023