

**DISSTON ISLAND CONSERVANCY DISTRICT**  
**FINANCIAL STATEMENTS WITH INDEPENDENT**  
**AUDITOR'S REPORT THEREON**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2022**



DISSTON ISLAND CONSERVANCY DISTRICT  
SEPTEMBER 30, 2022

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# NOWLEN, HOLT & MINER, P.A.

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## INDEPENDENT AUDITOR'S REPORT

Board of Supervisors  
Disston Island Conservancy District

### Report on the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities and the major fund of the Disston Island Conservancy District as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Disston Island Conservancy 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 and the major fund of the Disston Island Conservancy District, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Disston Island Conservancy 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 Disston Island Conservancy 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.

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### ***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 Disston Island Conservancy 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 Disston Island Conservancy 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 on pages 4 through 9 and the budgetary comparison information on pages 32 and 33 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 Information***

Management is responsible for the other information included in the annual report. The other information comprises the information presented for compliance with Section 218.39(3)(c), Florida Statutes and Section 10.554(1)(i)6-8, Rules of the Auditor General 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 June 9, 2023, on our consideration of the Disston Island Conservancy District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Disston Island Conservancy District’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Disston Island Conservancy District’s internal control over financial reporting and compliance.

*Nowlen, Holt & Miner, P.A.*

West Palm Beach, Florida  
June 9, 2023

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

Our discussion and analysis of Disston Island Conservancy District ("District") provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 2022. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes, and supplementary information to the basic financial statements.

The District is governed by a three member Board of Supervisors. The Board members are elected by the landowners of the District for three year terms. The District has entered into an informal interlocal agreement with two other districts to provide for the administration of the District's operation under the control of the Board of Supervisors

### **FINANCIAL AND DISTRICT HIGHLIGHTS**

#### Financial Highlights

- The assets of the District exceeded its liabilities at the end of the fiscal year ended September 30, 2022, by \$1,327,162. Of this amount, \$423,923 (unrestricted net position) may be used to meet the District's ongoing operations.
- The District's total net position increased by \$66,757.
- The District's total revenue (on an accrual basis) was \$530,685 for the year ended September 30, 2022.
- Total expenses (on an accrual basis) for all of the District's activities were \$463,928 for the year.

#### District Highlights

- The District is currently in the maintenance mode of operations for its water control facilities

### **OVERVIEW OF FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the District's financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the 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 are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

## **OVERVIEW OF FINANCIAL STATEMENTS (Continued)**

### Government-Wide Financial Statements (Continued)

The statement of net position presents information on all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual amount being 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 most recent 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, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements include all governmental activities that are principally supported by special assessment revenues. The District does not have any business-type activities.

### 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 other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has one fund category: governmental funds.

### Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. (See pages 13 and 15)

## OVERVIEW OF FINANCIAL STATEMENTS (Continued)

### Governmental Funds (Continued)

The District maintains one governmental fund for external reporting. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund which is a major fund.

The District adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with the budget. (See page 32)

### Notes to the Financial Statements

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Assets exceeded liabilities by \$1,327,162 for the fiscal year ended September 30, 2022. The assets include investments and capital assets which are approximately 31.5% and 65.6% of the District's total assets, respectively, and are to be used to meet the financial obligations for the District's ongoing operations, except for capital assets. Capital assets are used to provide services to the District's citizens and are not available for future spending.

The following table provides a summary of the net position as of September 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Assets		
Current and other assets	\$ 474,148	\$ 360,388
Capital assets, net	903,239	931,730
Total assets	<u>1,377,387</u>	<u>1,292,118</u>
Liabilities		
Current and other liabilities	50,225	31,713
Total liabilities	<u>50,225</u>	<u>31,713</u>
Net position		
Investment in capital assets	903,239	931,730
Unrestricted	423,923	328,675
Total net position	<u>\$ 1,327,162</u>	<u>\$ 1,260,405</u>

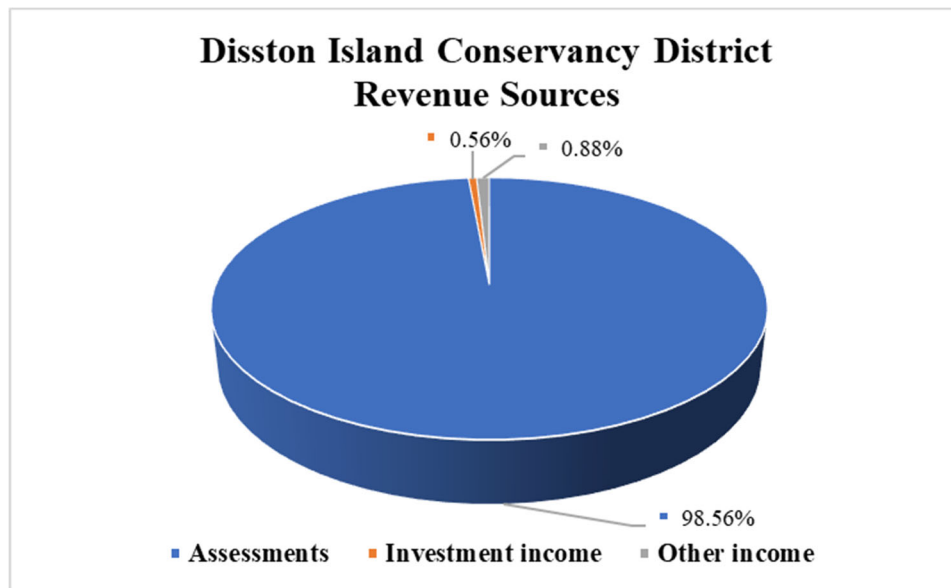


**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

The following table provides a summary of the changes in net position for the fiscal years ended September 30, 2022 and 2021:

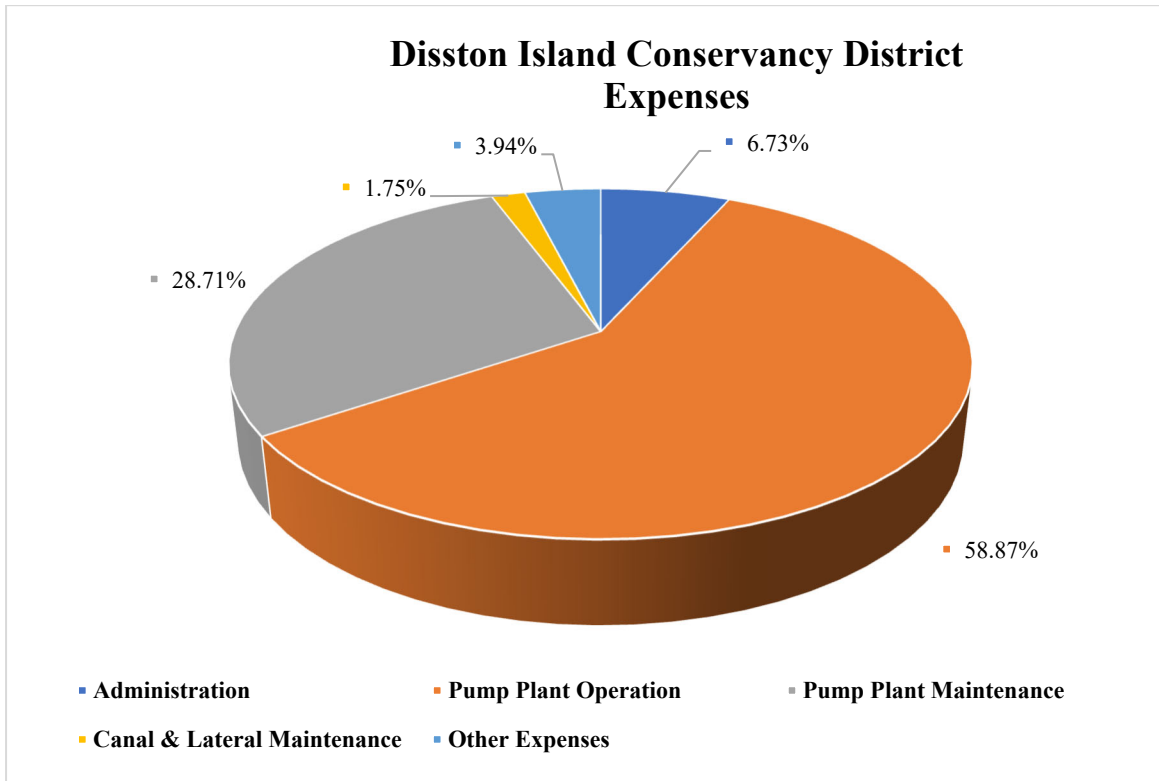
	<u>2022</u>	<u>2021</u>
Revenues		
Program revenues		
Charges for services	\$ 523,025	\$ 531,724
General revenues		
Investment income	2,991	1,251
Other income	4,669	1,106
Total revenues	<u>530,685</u>	<u>534,081</u>
Expenses		
Physical environment	463,928	561,923
Total expenses	<u>463,928</u>	<u>561,923</u>
Change in net position	66,757	(27,842)
Net position - beginning	<u>1,260,405</u>	<u>1,288,247</u>
Net position - ending	<u><u>\$ 1,327,162</u></u>	<u><u>\$ 1,260,405</u></u>

The chart below presents the revenues by sources for the governmental activities.



**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

The chart below presents the expenses for the governmental activities.



**CAPITAL ASSETS**

The District’s investment in capital assets for its governmental activities as of September 30, 2022, amounted to \$903,239 (net of accumulated depreciation). There were \$57,924 of capital additions and no disposals during 2022. The following table summarizes the District’s capital assets as of September 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Buildings	\$ 13,378	\$
Machinery and equipment	889,861	931,730
	<u>\$ 903,239</u>	<u>\$ 931,730</u>

**BUDGETARY HIGHLIGHTS**

The District adopted the fiscal year 2021/2022 budget with the same assessment rates as fiscal year 2020/2021. Total expenditures budgeted for the fiscal year ended September 30, 2022, were \$503,420. Total assessment revenue budgeted was \$527,607.

## **BUDGETARY HIGHLIGHTS (Continued)**

Total actual expenditures were \$67,983 less than budgeted expenditures and total actual revenues were \$25,408 more than the budgeted revenue. Additional budget comparison information is presented on page 32.

## **NEXT YEAR'S BUDGET AND ECONOMIC FACTORS**

The following highlights were considered in creating the 2022/2023 budget:

- The assessment rate remained at \$30 per acre.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our readers with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Betty Camplin, the District's Bookkeeper, P.O. Box 1685, Clewiston, Florida 33440, Telephone No. (863) 228-0400.

**Disston Island Conservancy District**  
**Statement of Net Position**  
**September 30, 2022**

	Governmental Activities
<b>Assets</b>	
Cash	\$ 7,584
Investments	433,457
Prepays	16,958
Inventory	16,149
Capital assets	
Depreciable (net of depreciation)	903,239
Total assets	1,377,387
<b>Liabilities</b>	
Current liabilities	
Accounts payable	49,539
Accrued liabilities	686
Total liabilities	50,225
<b>Net Position</b>	
Investment in capital assets	903,239
Unrestricted	423,923
Total net position	\$ 1,327,162

See notes to the financial statements

**Disston Island Conservancy District**  
**Statement of Activities**  
**For the Year Ended September 30, 2022**

Function / Program Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental activities					
Physical environment	\$ 463,928	\$ 523,025	\$ -	\$ -	\$ 59,097
Total governmental activities	\$ 463,928	\$ 523,025	\$ -	\$ -	59,097
General revenues					
Interest income - unrestricted					2,991
Miscellaneous					4,669
Total general revenues					7,660
Change in net position					66,757
Net position, beginning of year					1,260,405
Net position, end of year					\$ 1,327,162

See notes to the financial statements

**Disston Island Conservancy District**  
**Balance Sheet**  
**Governmental Fund**  
**September 30, 2022**

	General Fund
<b>Assets</b>	
Cash	\$ 7,584
Investments	433,457
Prepaid items	16,958
Inventory	16,149
Total assets	\$ 474,148
 <b>Liabilities</b>	
Accounts payable	\$ 49,539
Accrued liabilities	686
Total liabilities	50,225
 <b>Fund Balance</b>	
Nonspendable	33,107
Unassigned	390,816
Total fund balance	423,923
 Total liabilities and fund balance	\$ 474,148

See notes to the financial statements

**Disston Island Conservancy District**  
**Reconciliation of the Balance Sheet – Governmental Fund**  
**to the Statement of Net Position**  
**September 30, 2022**

Fund balance governmental fund		\$ 423,923
<p>Amounts reported for governmental activities in the statement of net position are different because:</p> <p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.</p>		
Governmental capital assets	\$ 2,153,084	
Less accumulated depreciation	<u>(1,249,845)</u>	<u>903,239</u>
Net position of governmental activities		<u><u>\$ 1,327,162</u></u>

See notes to the financial statements

**Disston Island Conservancy District**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Governmental Fund**  
**For the Year Ended September 30, 2022**

	<u>General Fund</u>
Revenues	
Assessments, net of discounts	\$ 523,025
Interest income	2,991
Miscellaneous income	4,669
Total revenues	<u>530,685</u>
Expenditures	
Current	
Physical environment	393,237
Capital outlay	42,200
Total expenditures	<u>435,437</u>
Net change in fund balance	95,248
Fund balance, beginning of year	<u>328,675</u>
Fund balance, end of year	<u><u>\$ 423,923</u></u>

See notes to the financial statements



**Disston Island Conservancy District**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund**  
**Balance of the Governmental Fund to the Statement of Activities**  
**For the Year Ended September 30, 2022**

Net change in fund balance - governmental fund	\$	95,248
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities the cost of capital assets is allocated over their useful lives and reported as depreciation expense.

Expenditures for capital assets	\$	57,924	
Less: current year depreciation		<u>(86,415)</u>	<u>(28,491)</u>

Change in net position	\$	<u><u>66,757</u></u>
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See notes to the financial statements

**DISSTON ISLAND CONSERVANCY DISTRICT**  
**Notes to the Financial Statements**  
**September 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

*Reporting Entity*

Disston Island Conservancy District was created by Florida Statutes, Chapter 9977, Acts of 1923. The operations of the District are fundamentally governed by special acts pertaining to the District, which have been codified by Chapter 2000-447, Laws of Florida, Acts of 2000.

The District is an independent special district created pursuant to the method authorized in Chapter 298 of the Florida Statutes. A three-member Board of Supervisors elected by the landowners of the District governs the District. The Board appoints a District Manager to administer the policies emanating from its statutory powers and authority.

The Board has the responsibility for:

- 1) Assessing and levying assessments.
- 2) Approving budgets.
- 3) Exercising control over facilities and properties.
- 4) Controlling the use of funds generated by the District.
- 5) Approving the hiring and firing of key personnel.
- 6) Financing improvements.

As required by generally accepted accounting principles, these financial statements include the District (the primary government) and its component units. Component units are legally separate entities for which the District is financially accountable. The District is financially accountable if:

- a) the District appoints a voting majority of the organization’s governing board and (1) the District is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the District, or
- b) the organization is fiscally dependent on the District and (1) there is a potential for the organization to provide specific financial benefits to the District or (2) impose specific financial burdens on the District.

**DISSTON ISLAND CONSERVANCY DISTRICT**  
**Notes to the Financial Statements**  
**September 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

*Reporting Entity* (Continued)

Organizations for which the District is not financially accountable are also included when doing so is necessary in order to prevent the District's financial statements from being misleading.

Based upon application of the above criteria, management of the District has determined that no component units exist which would require inclusion in this report. Further, the District is not aware of any entity that would consider the District to be a component unit.

*Government-wide and Fund Financial Statements*

The basic financial statements include both government-wide and fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes, special assessments, and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for support. The District has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported instead as general revenues.

Fund financial statements are provided for governmental funds. The District has no fund types other than governmental funds. Major individual governmental funds are reported in separate columns in the fund financial statements.

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 recorded when a liability is incurred, regardless of the timing of related cash flows. Assessments are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**DISSTON ISLAND CONSERVANCY DISTRICT**  
**Notes to the Financial Statements**  
**September 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

*Governmental Funds*

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 are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough afterwards to pay liabilities of the current period. The District considers revenues collected within 60 days of the year end to be available to pay liabilities of the current period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures relating to compensated absences and claims and judgments are recorded only when payment is due.

Assessments, charges for services, intergovernmental revenues, and investment income are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as needed.

The District reports the General Fund as a major governmental fund. The General Fund is the general operating fund of the District. It is used to account for all financial resources and is the only fund of the District.

*Cash and Cash Equivalents*

Cash and cash equivalents include amounts on deposit in non-interest bearing demand accounts.

*Investments*

Investments are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available; for others, it might not be available. However, the objective of fair value measurement in both cases is the same, that is, to determine the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions. Fair value is an exit price at the measurement date from the perspective of a market participant that controls the asset or is obligated for the liability. The District

**DISSTON ISLAND CONSERVANCY DISTRICT**  
**Notes to the Financial Statements**  
**September 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

*Investments* (Continued)

categorizes investments reported at fair value in accordance with the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurement and Application*.

*Accounts Receivable*

Accounts receivable of the General Fund consists of billed and unbilled receivables. During the current fiscal year all receivables were determined to be uncollectible and were written off. As of September 30, 2022, the District does not have any receivables.

*Prepaid Items*

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. In the governmental funds, prepaid items are recorded using the consumption method and are offset by the nonspendable fund balance component which indicates they do not constitute available spendable resources, even though they are a component of current assets.

*Inventories*

Inventories consist of expendable fuel held for the District's use and are carried at cost using the first-in, first-out method. The District accounts for inventories using the consumption method, under which expenditures are recognized only when inventory items are used. Reported inventory is equally offset by nonspendable fund balance which indicates that it does not constitute "available spendable resources" even though it is a component of net current assets.

*Capital Assets*

Capital assets are defined by the District as assets with an estimated useful life in excess of two years and a value at the date of acquisition in excess of \$750. Capital assets are reported in the government-wide Statement of Net Position and include plant, property, equipment, and infrastructure assets (i.e., roads, bridges, canals, and pumping stations). Purchased capital assets are recorded at cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. Depreciation is computed using the straight-line method over the estimated useful lives for all reported capital assets, except land and construction in progress.

**DISSTON ISLAND CONSERVANCY DISTRICT**  
**Notes to the Financial Statements**  
**September 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

*Capital Assets* (Continued)

The District was classified as a Phase 3 government for the implementation of GASB Statement No. 34 and elected to not report general infrastructure assets retrospectively.

The estimated useful lives are as follows:

Buildings	15 - 30 years
Machinery and equipment	5 - 10 years
Improvements	10 - 20 years
General infrastructure	10 - 50 years

*Unearned Revenue*

The government reports unearned revenue on its government wide Statement of Net Position and governmental funds balance sheet. Unearned revenue arises when resources are obtained prior to revenue recognition. In subsequent periods, when revenue recognition criteria are met the unearned revenue is removed and revenue is recognized.

*Unavailable Revenue*

The government reports unavailable revenue on its governmental funds balance sheet for resource inflows that do not qualify for recognition as revenue in a governmental fund because they are not yet considered available.

*Deferred Outflows of Resources*

The government-wide Statement of Net Position and the Governmental Funds Balance Sheet will sometimes include a separate section for deferred outflows of resources. This financial statement element represents a consumption of net assets applicable to future periods and will not be recognized as expenditures until the future period(s). The District has no items that qualify for reporting in this category.

*Deferred Inflows of Resources*

The government-wide Statement of Net Position and the Governmental Funds Balance Sheet will sometimes include a separate section for deferred inflows of resources. This financial statement element represents the acquisition of net assets applicable to future periods and will not be recognized as revenue until the future period(s). The District has no items that qualify for reporting in this category.

**DISSTON ISLAND CONSERVANCY DISTRICT**  
**Notes to the Financial Statements**  
**September 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

*Fund Balance*

In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balance is reported under the following categories:

1. Nonspendable fund balance – Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale. However, if the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned, then they should be included in the appropriate fund balance classification (restricted, committed, or assigned), rather than the nonspendable fund balance. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.
2. Restricted fund balance – Includes amounts that are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
3. Committed fund balance – Includes amounts that can be used only for specific purposes pursuant to constraints imposed by an ordinance, the District’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same type of action employed to previously commit those amounts.
4. Assigned fund balance – Includes amounts intended to be used by the District for specific purposes, but are neither restricted nor committed. In accordance with the District’s fund balance policy, assignments may be made by formal action of the District Board or authority may be delegated to the District Manager.
5. Unassigned fund balance – Includes 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. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it may be necessary to report a negative unassigned fund balance

**DISSTON ISLAND CONSERVANCY DISTRICT**  
**Notes to the Financial Statements**  
**September 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

*Fund Balance* (Continued)

if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it is the District's policy to reduce restricted amounts first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the District's policy to reduce committed amounts first, followed by assigned amounts, then unassigned amounts.

*Net Position*

Net position is the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets plus deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net position is displayed in the following three components:

1. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by any outstanding liabilities that are attributable to the acquisition, construction or improvement of those assets, excluding unexpended proceeds.
2. Restricted net position – Consists of net position with constraints placed on the use either by: (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions of enabling legislation.
3. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

*Budgetary Data*

Formal budgetary integration is employed as a management control device during the year for the General Fund. All budgets are legally enacted. Budgets are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted, or as amended by appropriate action.



**DISSTON ISLAND CONSERVANCY DISTRICT**  
**Notes to the Financial Statements**  
**September 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

*Assessments*

The assessment levy of the District is established by the Board of Supervisors, and becomes an enforceable lien on the property on January 1 of the following year. The District levied an assessment rate of \$30 per acre for the fiscal year ended September 30, 2022.

All assessments are due and payable on November 1 of each year or as soon thereafter as the tax roll is delivered to the county tax collector. Liens are placed on property as of January 1. All unpaid assessments become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February. The assessments paid in March are without discount.

On or prior to June 1 following the assessment year, certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest of 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold certificates become the property of the District, earning interest at a rate of 18% per year.

*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 during the period reported. These estimates include assessing the collectability of accounts receivable, the use and recoverability of inventory, and useful lives and impairment of tangible and intangible 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 the estimates.

*Implementation of Accounting Pronouncements*

The District implemented the following Governmental Accounting Standards Board Statements during the current fiscal year.

GASB Statement No. 87, *Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that were classified as operating leases and recognized as inflows of resources based on the payment

**DISSTON ISLAND CONSERVANCY DISTRICT**  
**Notes to the Financial Statements**  
**September 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

*Implementation of Accounting Pronouncements* (Continued)

provisions of the contract. It establishes a single model for lease accounting that is based on the foundational principal that leases are financings of the right to use an underlying asset. Implementation of this Statement did not impact the District's financial statements.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The requirements of this Statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The District implemented the provisions of this statement related to Section 457 deferred compensation plans in the current fiscal year. Implementation of this Statement did not impact the District's financial Statements.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the end of a Construction Period*. This statement enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplify accounting for interest cost incurred before the end of a construction period. Implementation of this Statement did not impact the District's financial statements.

GASB Statement No. 92, *Omnibus 2020*. This Statement enhances comparability in accounting and financial reporting and improve the consistency of authoritative literature by addressing practice issues that have been identified during the implementation and application of certain GASB Statements. This Statement addresses a variety of topics. Implementation of this Statement did not have a significant impact on the District's financial statements.

*Recently Issued Accounting Pronouncements*

A brief description of new accounting pronouncements that might have a significant impact on the District's financial statements is presented below. Management is currently evaluating the impact of adoption of these statements in the District's financial statements.

In May 2019 the GASB issued Statement No. 91, *Conduit Debt Obligation*. This Statement will provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. This Statement is effective for the fiscal year ending September 30, 2023.

**DISSTON ISLAND CONSERVANCY DISTRICT**  
**Notes to the Financial Statements**  
**September 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

*Recently Issued Accounting Pronouncements* (Continued)

In March 2020 the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This Statement will improve financial reporting by establishing the definitions of public-private and public-public partnership arrangements (PPPs) and availability payment arrangements (APAs) and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. This Statement is effective for the fiscal year ending September 30, 2023.

In May 2020 the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement is effective for the fiscal year ending September 30, 2023.

In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to more easily locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements. The requirements of this Statement are effective as follows:

- The requirements related to leases, public-private and public-public partnerships, and subscription-based information technology arrangements are effective for fiscal years ending September 30, 2023, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the Scope of Statement 53 are effective for fiscal years ending September 30, 2024, and all reporting periods thereafter.

**DISSTON ISLAND CONSERVANCY DISTRICT**  
**Notes to the Financial Statements**  
**September 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

*Recently Issued Accounting Pronouncements* (Continued)

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years ending September 30, 2024, and all reporting periods thereafter. Earlier application is encouraged.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absences and will eliminate potential comparability issues between governments that offer different types of leave. The model also will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences. The requirements of this Statement are effective for fiscal years ending September 30, 2025, and all reporting periods thereafter. Earlier application is encouraged.

**NOTE 2 – BUDGETARY INFORMATION**

*Budget Policy and Practice*

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

1. The Chairman submits to the Board of Supervisors a proposed operating budget for the upcoming fiscal year. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is held to obtain taxpayer comments.
3. Subsequent to the public meeting, the Board legally adopts the budget.
4. Appropriations are legally controlled at the fund level and expenditures may not legally exceed budgeted appropriations at that level
5. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles.
6. Total budgeted amounts reflect all amendments approved by the Board of Supervisors.

**DISSTON ISLAND CONSERVANCY DISTRICT**  
**Notes to the Financial Statements**  
**September 30, 2022**

**NOTE 3 – DEPOSITS AND INVESTMENTS**

*Deposits*

Deposits are either covered by insurance provided by the Federal Depository Insurance Corporation or are held in banking institutions approved by the Treasurer of the State of Florida. 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 other banking institution eligible collateral. In the event of failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. The District's deposits at year end are considered insured for custodial credit risk purposes. As of September 30, 2022, the bank balance of the District's deposits was \$444,649 and the carrying amount was \$441,005.

*Investments*

The District has not adopted a written investment policy. Florida Statutes authorize units of local government electing not to adopt a written investment policy to invest in the following instruments:

- a. The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969.
- 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.

GASB Statement No. 72, *Fair Value Measurement and Application*, requires governments to disclose the fair value hierarchy for each type of asset or liability measured at fair value in the notes to the financial statements. The standard also requires governments to disclose a description of the valuation techniques used in the fair value measurement and any significant changes in valuation techniques. GASB 72 establishes a three-tier fair value hierarchy. The level in which an asset is assigned is not indicative of its quality but an indication of the source of valuation inputs. The hierarchy is based on valuation inputs used to measure the fair value as follows:

- |          |  |
|----------|--|
| Level 1: | Inputs are directly observable, quoted prices in active markets for identical assets or liabilities.   |
| Level 2: | Inputs are other than quoted prices included within Level 1 that are for the asset or liability, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation or by other means. |
| Level 3: | Inputs are unobservable inputs used only when relevant Level 1 and Level 2 inputs are unavailable.   |

**DISSTON ISLAND CONSERVANCY DISTRICT**  
**Notes to the Financial Statements**  
**September 30, 2022**

**NOTE 3 – DEPOSITS AND INVESTMENTS** (Continued)

*Investments* (Continued)

Investments include amounts held in the Florida PRIME external investment pool. The District reports its investment in Florida PRIME at amortized cost in accordance with GASB Statement No. 79, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Investments in Florida PRIME are exempt from the GASB 72 fair value hierarchy disclosures.

The State Board of Administration (SBA) administers the Florida PRIME investment pool, which is governed by Chapter 19-7 of the Florida Administrative Code and Chapters 218 and 215 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the Florida PRIME. The investment in the Florida PRIME is not insured by FDIC or any other governmental agency.

GASB 79 requires that if a participant has an investment in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost it should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority to impose liquidity fees or redemption gates) in notes to the financial statements.

With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that “The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.”

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

**DISSTON ISLAND CONSERVANCY DISTRICT**  
**Notes to the Financial Statements**  
**September 30, 2022**

**NOTE 3 – DEPOSITS AND INVESTMENTS** (Continued)

*Investments* (Continued)

As of September 30, 2022, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value in the Florida PRIME.

As of September 30, 2022, the District held the following investments:

Deposits in interest-bearing bank accounts	\$433,421
Florida PRIME investment pool	<u>36</u>
	<u>\$433,457</u>

*Credit Risk*

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The District’s investment policies limit its investments to high quality investments to control credit risk. As of September 30, 2022, the Florida PRIME investment pool was rated AAAM by Standard and Poor’s.

*Interest Rate Risk*

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. As of September 30, 2022, the weighted average maturity of the Florida PRIME investment pool was 21 days.

**DISSTON ISLAND CONSERVANCY DISTRICT**  
**Notes to the Financial Statements**  
**September 30, 2022**

**NOTE 4 – CAPITAL ASSETS**

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

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Assets Being Depreciated				
Buildings	\$	\$ 13,700	\$	\$ 13,700
Machinery & equipment	<u>2,095,160</u>	<u>44,224</u>	<u>                    </u>	<u>2,139,384</u>
Total Assets Being Depreciated	<u>2,095,160</u>	<u>57,924</u>	<u>                    </u>	<u>2,153,084</u>
Total Assets	<u>2,095,160</u>	<u>57,924</u>	<u>                    </u>	<u>2,153,084</u>
Accumulated Depreciation				
Buildings		(322)		(322)
Machinery & equipment	<u>(1,163,430)</u>	<u>(86,093)</u>	<u>                    </u>	<u>(1,249,523)</u>
Total Accumulated Depreciation	<u>(1,163,430)</u>	<u>(86,415)</u>	<u>                    </u>	<u>(1,249,845)</u>
Assets Being Depreciated - Net	<u>931,730</u>	<u>(28,491)</u>	<u>                    </u>	<u>903,239</u>
Total Capital Assets - Net	<u>\$ 931,730</u>	<u>\$ (28,491)</u>	<u>\$</u>	<u>\$ 903,239</u>

Depreciation expense was charged to functions and programs of the primary government as follows:

**Governmental activities:**

Physical environment \$ 86,415

**NOTE 5 – 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; natural disasters; and workers' compensation. The District is a member of the insurance program sponsored by the Florida League of Cities. The program purchases specific coverages from third party carriers. Members of the program pay for their portion of the coverage and are not assessable for unanticipated losses incurred by the program. The maximum liability coverage is \$2,000,000. Retention of risks is limited to those risks that are uninsurable and deductibles. The District has not significantly reduced insurance coverage from the prior year, and there were no settled claims which exceeded insurance coverage during the past three fiscal years.



**DISSTON ISLAND CONSERVANCY DISTRICT**  
**Notes to the Financial Statements**  
**September 30, 2022**

**NOTE 5 – RISK MANAGEMENT** (Continued)

Florida Statutes limit the District's maximum loss for most liability claims to \$200,000 per person and \$300,000 per occurrence under the Doctrine of Sovereign Immunity. However, under certain circumstances, a plaintiff can seek to recover damages in excess of statutory limits by introducing a claims bill to the Florida Legislature. The limits addressed in Florida Statutes do not apply to claims filed in Federal courts.

**Disston Island Conservancy District**  
**Required Supplementary Information (RSI)**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**General Fund**  
**For the Year Ended September 30, 2022**

	Original Adopted Budget	Final Revised Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Revenues</b>				
Assessments	\$ 527,607	\$ 527,607	\$ 544,183	\$ 16,576
Tax discount	(22,330)	(22,330)	(21,158)	1,172
Interest income			2,991	2,991
Miscellaneous revenues			4,669	4,669
<b>Total revenues</b>	<u>505,277</u>	<u>505,277</u>	<u>530,685</u>	<u>25,408</u>
<b>Expenditures</b>				
Salaries	7,625	7,625	7,643	(18)
Legal Fees	7,500	7,500	6,110	1,390
Engineering Fees	2,500	3,250	2,850	400
Audit Fees	4,750	4,750	4,700	50
Storage Tank Fees	75	75		75
Other Fees & Loan Fees	750	750	298	452
Legal Notices	348	545	542	3
Office Supplies	720	720	232	488
Insurance	6,525	13,500	6,807	6,693
Special District Fees	175	175	175	
Rent	1,764	1,784	1,760	24
Web Page	1,250	1,250	105	1,145
Pump Plant Operation Fuel & Power	210,000	290,000	273,111	16,889
Pump Plant Maintenance Materials & Supplies	205,000	72,206	62,511	9,695
Canal & Lateral Maintenance Materials & Supplies	18,600	18,600	8,120	10,480
Collection & Assessing Fees	21,000	21,000	7,970	13,030
Commission Fees	8,000	10,600	9,578	1,022
Payroll Taxes	588	640	650	(10)
Works of the District - Amendment Plan	5,000	5,000		5,000
Capital Expenditures	1,250	43,450	42,200	1,250
Licenses & Permits			75	(75)
<b>Total expenditures</b>	<u>503,420</u>	<u>503,420</u>	<u>435,437</u>	<u>67,983</u>
<b>Net change in fund balance</b>	<u>\$ 1,857</u>	<u>\$ 1,857</u>	95,248	<u>\$ 93,391</u>
Fund balance, beginning of year			<u>328,675</u>	
Fund balance, end of year			<u>\$ 423,923</u>	

See notes to the budgetary comparison schedule

**Disston Island Conservancy District District**  
**Notes to the Budgetary Comparison Schedule**  
**Required Supplementary Information (RSI)**  
**General Fund**  
**September 30, 2022**

**Note 1 - Basis of Accounting**

A budgetary comparison schedule is presented for the General Fund, as required by generally accepted accounting principles. The budgetary process is described in Note 2 to the financial statements. Budgets are adopted on a basis consistent with generally accepted accounting principles.

**Note 2 - Stewardship, Compliance, and Accountability**

Formal budgetary integration is employed within the accounting system as a management control device. Appropriations are legally controlled at the fund level, and expenditures may not legally exceed budgeted appropriations at that level. For the year ended September 30, 2022, General Fund expenditures did not exceed appropriations.

**Disston Island Conservancy District**  
**Other Information-Information Required by Section 218.39(3)(c), Florida Statutes**  
**and Section 10.554(1)(i)6, Rules of the Auditor General**  
**For the Year Ended September 30, 2022**  
**Unaudited**

**As required by Section 218.39(3)(c), Florida Statutes and Section 10.554(1)(i)6-8, Rules of the Auditor General, the District reported:**

<b>Required Information</b>	<b>Reported</b>
The total number of district employees compensated in the last pay period of the District's fiscal year 2022:	1
The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year 2022:	0
All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency for fiscal year 2022:	\$ 7,643
All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency for fiscal year 2022:	\$ -
Each construction project with a total cost of at least \$65,000 approved by the District that was scheduled to begin on or after October 1 of the fiscal year 2022, together with the total expenditures for such project:	N/A
A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year 2021 being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes:	See Page 32
The rate or rates of non-ad valorem special assessments imposed by the District for fiscal year 2022:	\$30/Acre
The total amount of special assessments collected by or on behalf of the District for fiscal year 2022:	\$ 523,025
The total amount of outstanding bonds issued by the district and the terms of such bonds:	N/A



# NOWLEN, HOLT & MINER, P.A.

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## 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*

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Board of Supervisors  
Disston Island Conservancy District  
Clewiston, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Disston Island Conservancy District, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Disston Island Conservancy District's basic financial statements and have issued our report thereon dated June 9, 2023.

### Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Disston Island Conservancy District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Disston Island Conservancy District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Disston Island Conservancy 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 or significant deficiencies may exist that were not identified.

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

As part of obtaining reasonable assurance about whether the Disston Island Conservancy 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests 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.

*Nowlen, Holt & Mimer, P.A.*

West Palm Beach, Florida  
June 9, 2023



## NOWLEN, HOLT & MINER, P.A.

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### MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

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FAX (561) 996-6248

Board of Supervisors  
Disston Island Conservancy District  
Clewiston, Florida

#### Report on the Financial Statements

We have audited the financial statements of the Disston Island Conservancy District, as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 9, 2023.

#### Auditor's Responsibility

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

#### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 9, 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 findings and recommendations made in the preceding financial audit report. Corrective actions have been taken to address findings and recommendation made in the preceding financial audit report.

## **Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this Management Letter, unless disclosed in the notes to the financial statements. This information was disclosed in Note 1 to the financial statements. There are no component units included in the Disston Island Conservancy District's financial statements.

## **Financial Condition and Management**

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Disston Island Conservancy District met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Disston Island Conservancy 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 Disston Island Conservancy District. It is management's responsibility to monitor the Disston Island Conservancy District's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. Our assessment was done as of the fiscal year end. The results of our procedures did not disclose any matters that are required to be reported.

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.

## **Special District Component Units**

Section 10.554(1)(i)5.c, Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

## **Additional Matters**

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



### **Specific Information**

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6-8, Rules of the Auditor General, the Disston Island Conservancy District reported the required information in the other information section on page 34.

### **Single Audits**

The Disston Island Conservancy District expended less than \$750,000 of federal awards and less than \$750,000 of state financial assistance for the fiscal year ended September 30, 2022 and was not required to have a federal single audit or a state single audit.

### **Purpose of this Letter**

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

*Nowlen, Holt & Mimer, P.A.*

West Palm Beach, Florida  
June 9, 2023



**NOWLEN, HOLT & MINER, P.A.**

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**INDEPENDENT ACCOUNTANT’S REPORT  
ON COMPLIANCE WITH SECTION 218.415,  
FLORIDA STATUTES**

Board of Supervisors  
Disston Island Conservancy District  
Clewiston, Florida

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We have examined the Disston Island Conservancy District’s compliance with Section 218.415, Florida Statutes during the year ended September 30, 2022. Management of the Disston Island Conservancy District is responsible for the Disston Island Conservancy District’s compliance with the specified requirements. Our responsibility is to express an opinion on the Disston Island Conservancy District’s compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Disston Island Conservancy District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Disston Island Conservancy District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

Our examination does not provide a legal determination on the Disston Island Conservancy District’s compliance with the specified requirements.

In our opinion, the Disston Island Conservancy District complied, in all material respects, with Section 218.415, Florida Statutes for the year ended September 30, 2022.

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

*Nowlen, Holt & Miner, P.A.*

West Palm Beach, Florida  
June 9, 2023