

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT  
AUDIT COMMITTEE MEETING AGENDA**

**GoTo Webinar Link:** <https://attendee.gotowebinar.com/register/7498156259411455319>

**Public Comment Form Link:** [www.MySuwanneeRiver.com/Comments](http://www.MySuwanneeRiver.com/Comments)

Open to Public

April 11, 2023  
Following Board Meeting

District Headquarters  
Live Oak, FL

1. Call to Order / Committee Roll Call

2. Public Comment

**Discussion Items**

3. Fiscal Year 2021-2022 Financial Audit

4. Inspector General Audit Report Number 23-01, Employee Remote Work Arrangements

5. Inspector General Audit Report Number 23-02, Follow-Up Report on District Corrective Action Regarding Auditor General Audit Report Number 2023-047

6. Announcements

7. Adjournment

*A person may not lobby the District until such person has registered as a lobbyist with the Contracts and Procurement Coordinator by filing a registration form.*

*Definitions:*

*•"Lobbies" is defined as seeking to influence a district policy or procurement decision or an attempt to obtain the goodwill of a district official or employee. (112.3261(1)(b), Florida Statutes [F.S.]*

*•"Lobbyist" is a person who is employed and receives payment, or who contracts for economic consideration, for the purpose of lobbying, or a person who is principally employed for governmental affairs by another person or governmental entity to lobby on behalf of that other person or governmental entity. (112.3215(1)(h), F.S.)*

SUWANNEE RIVER WATER MANAGEMENT DISTRICT

**MEMORANDUM**

TO: Audit Committee

FROM: Pam Shaw, Chief, Office of Finance

THRU: Tim Alexander, Deputy Executive Director, Business and Community Services

DATE: March 22, 2023

RE: Fiscal Year 2021-2022 Financial Audit

**RECOMMENDATION**

Accept the Fiscal Year 2021-2022 Financial Audit Report from Powell and Jones, CPA.

**BACKGROUND**

Powell and Jones, Certified Public Accountants, has prepared the Fiscal Year 2021-2022 Financial Audit Report. Staff provided support to Powell and Jones during the preparation of the report. This report:

1. Contains the District's financial statements and accompanying notes and schedules;
2. Reflects the financial activities for Fiscal Year 2021-2022;
3. Contains the Auditor's opinion that the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of September 30, 2022; and
4. Contains no findings.

PS/rl  
Attachment

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2022**

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT  
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SEPTEMBER 30, 2022**

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**FINANCIAL SECTION**

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT OFFICIALS  
LIST OF PRINCIPAL OFFICIALS  
SEPTEMBER 30, 2022**

<b>Chairman</b>	<b>Virginia H. Johns</b>
<b>Vice Chairman</b>	<b>Richard Schwab</b>
<b>Secretary-Treasurer</b>	<b>Charles Keith</b>
<b>Board Members</b>	<b>William Lloyd Larry Sessions Harry Smith Larry Thompson</b>
<b>Executive Director</b>	<b>Hugh Thomas</b>



## Powell and Jones CPA

1359 S.W. Main Blvd.  
Lake City, FL 32025  
Phone 386.755.4200  
Fax 386.719.5504

### INDEPENDENT AUDITOR'S REPORT

March 20, 2023

To the Honorable Board of Governors  
Suwannee River Water Management District

#### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Suwannee River Water Management District (the "District") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Emphasis of Matter – Adoption of New Accounting Pronouncement

As discussed in Note 1, effective October 1, 2021, the District has adopted the provisions contained in Statement of Governmental Accounting Standards ("SGAS") No. 87, Leases. Our opinions are not modified with respect to that matter.

#### 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.

**Independent Auditor's Report (continued)**

**Responsibilities of Management for the Financial Statements (continued)**

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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



**Independent Auditor's Report (continued)**

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, other post-employment benefits plan, and schedules of proportionate share of net pension liability and contributions 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 Supplemental Information**

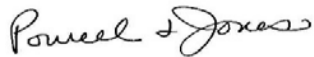
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"), and Section 215.97, Florida Statutes, *Florida Single Audit Act*; Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, as listed in the table of contents, is presented for the purposes of additional analysis and is not a required part of the basic financial statements.

The combining fund financial statements and the schedule of expenditures of federal awards and state financial assistance were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements and schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

To the Honorable Board of Governors  
Suwannee River Water Management District  
March 20, 2023  
Page Four

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. The 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.



**Powell & Jones CPA**  
Lake City, Florida  
March 20, 2023

## Management's Discussion and Analysis

As management of the Suwannee River Water Management District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2022.

### Financial Highlights

The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$246,734,517 (net position).

The District's total net position decreased by \$2,494,983.

As of the close of the 2021-2022 fiscal year, the District's governmental funds reported combined ending fund balances of \$34,945,389, a decrease of \$2,403,034 in comparison with the prior year.

At the end of the 2021-2022 fiscal year the unassigned balance for the general fund was \$9,452,067.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and 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 District's finances, in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the government'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, revenues and expenditures are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The government-wide financial statements report functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include water supply and resource management, land acquisition and management, operation, maintenance of lands and works, regulation, outreach, and administration.

The government-wide financial statements include only the District, a component unit of the State of Florida.

**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 Suwannee River Water Management District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are in one 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 government's near-term financing 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 government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Land Management and Operations Fund, District Special Revenue Fund, State Special Revenue Fund, and Federal Special Revenue Fund; each of which is considered to be a major fund, except the federal special revenue fund.

**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.

**Required and other supplementary information.** In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District's budgetary comparison for its major funds, the Schedule of Changes in the Total Other Post Employment Benefit Liability, and the Schedule of Proportionate Share Net Pension Liability and Schedule of Contributions. The District adopts an annual appropriated budget for all funds. A budgetary comparison schedule has been provided for the general fund and each major fund to demonstrate compliance with this budget.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of District, assets exceeded liabilities by \$246,734,517 at the close of the most recent fiscal year.

By far the largest portion of the District's net position (88 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment). The District uses these capital assets to protect the water resources of the District; consequently, these assets are not available for future spending.

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT'S NET POSITION**

	<u>2022</u>	<u>2021</u>
Current and other assets	\$ 41,270,144	\$ 44,702,655
Capital assets:		
Land and other improvements	214,395,331	212,308,524
Other capital assets, net of depreciation	<u>2,163,318</u>	<u>4,396,855</u>
Total assets	<u>257,828,793</u>	<u>261,408,034</u>
Deferred outflows	<u>1,637,091</u>	<u>1,225,101</u>
Long-term liabilities outstanding	5,592,227	3,009,491
Other liabilities	<u>6,855,559</u>	<u>7,354,232</u>
Total liabilities	<u>12,447,786</u>	<u>10,363,723</u>
Deferred inflows	<u>283,581</u>	<u>3,039,912</u>
Net position		
Invested in capital assets, net of related debt	216,558,649	216,705,379
Restricted for land acquisition and management	10,190,936	9,645,411
Restricted for water supply and resource management	11,333,571	14,099,128
Unrestricted	<u>8,651,361</u>	<u>8,779,582</u>
Total net position	<u>\$ 246,734,517</u>	<u>\$ 249,229,500</u>

An additional portion of the District's net position (9%) represents resources that are subject to external restrictions on how they may be used.

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT CHANGE IN NET POSITION**

	<u>2022</u>	<u>2021</u>
Revenues:		
Program revenues:		
Charges for services	\$ 278,275	\$ 298,818
Operating grants and contributions	12,339,078	12,244,961
Capital grants and contributions	2,409,486	1,594,725
General revenues:		
Property taxes	6,464,859	6,192,298
Other income	3,321,060	1,136,355
Unrestricted investment earnings	315,669	599,272
(Loss) on disposal of assets and conveyance	(2,147,322)	(519,346)
Change in fair value of investments	(2,622,250)	(1,214,409)
Total revenues	<u>20,358,855</u>	<u>20,332,674</u>
Expenses:		
Water resource planning and monitoring	6,369,332	6,692,428
Acquisition, restoration and public works	9,237,506	7,077,481
Operation, maintenance of lands and works	4,019,456	3,755,107
Regulation	1,475,039	1,425,716
Outreach	202,511	179,194
Administration	1,549,993	1,503,127
Total expenses	<u>22,853,838</u>	<u>20,633,053</u>
Increase (decrease) in net position	(2,494,983)	(300,379)
Net position, beginning of year	249,229,500	249,529,879
Net position, end of year	<u>\$246,734,517</u>	<u>\$249,229,500</u>

**Governmental activities.** Governmental activities decreased District's net assets by \$2,494,983. The key elements of this decrease can be attributed to the conveyance of property and the change in the fair value of investments held by the District. The reconciliation statements on pages 18 and 28-29 details the relationship of the activities statement to the governmental funds statement.

## **Financial Analysis of the Government's Funds**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$34,945,389, a decrease of \$2,403,034 from the prior year. Approximately 27% of the total combined ending fund balance constitutes unassigned fund balance which is available for spending at the government's discretion. The remainder of fund balance is restricted to indicate that it is not available for general spending.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$9,452,067, while total fund balance reached \$16,020,882. Total unassigned fund balance represents 133% of total general fund expenditures.

During the current fiscal year, the fund balance of the District's general fund decreased by \$17,129. The key factor in this decrease was the transfer of funds to the State Special Revenue Fund.

The Land Acquisition and Management Fund had a total Fund Balance of \$4,437,501. The majority of the \$1,012,762 increase in this fund in the current year was attributable to timber revenue.

The District Special Revenue Fund had a total fund balance of \$7,266,331.

The State Special Revenue Fund had a total fund balance of \$7,220,675.

The Federal Special Revenue Fund had a total fund balance of \$0. This fund is supported by intergovernmental revenue.

## **Budgetary Highlights**

### **General Fund**

During the year salaries and benefits were \$524,031 less than amounts budgeted, and contractual services were \$1,306,657 less than budgeted. Operating expenditures were \$ 460,488 less than budget and intergovernmental expenditures were \$369,461 under the budgeted amount.

### **Land Acquisition and Management Fund**

During the year there was a total of \$2,110,438 less in expenditures overall than what was budgeted.

### **District Special Revenue Fund**

During the year there was a total of \$3,404,164 less in expenditures overall than what was budgeted.

### **State Special Revenue Fund**

During the year there was a total of \$23,839,695 less in expenditures overall than what was budgeted.

### **Federal Special Revenue Fund**

During the year there was a total of \$2,548,915 less in expenditures overall than what was budgeted.

### **Capital Asset Administration**

**Capital assets.** The District's investment in capital assets as of September 30, 2022, amounts to \$216,558,649 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, vehicles, office equipment, field equipment and computer equipment.

### **Economic Factors and Next Year's Budgets and Rates**

Changing economic conditions has required the District to adopt new budgeting strategies. The District must accomplish statutory priorities with less discretionary revenue available.

Factors that influence the District's fiscal year 2022-2023 budget include:

State of Florida's focus on water quality, conservation, and restoration of the State's aquifer.

Developing an operational budget that fits the anticipated level of expenditures needed to accomplish District priorities.

### **Requests for Information**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Suwannee River Water Management District, 9225 CR 49, Live Oak, FL 32060.



**BASIC FINANCIAL STATEMENTS**

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT**  
**STATEMENT OF NET POSITION**  
For the Fiscal Year Ended September 30, 2022

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 642,970
Investments	38,894,367
Accounts receivable	182,833
Intergovernmental receivables	1,481,159
Prepaid expenses	68,815
Capital assets not being depreciated	
Land	214,395,331
Capital assets, net of accumulated depreciation	
Buildings	1,475,525
Equipment	687,793
Total fixed assets, net	216,558,649
Total assets	257,828,793
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Other post employee benefits	14,258
Pension obligations	1,622,833
	1,637,091
<b>LIABILITIES</b>	
Accounts payable	2,006,635
Accrued liabilities	354,438
Interest payable	231
Unearned revenues	3,222,372
Deposits	110,000
Performance damage deposits	631,079
Compensated absences, due within one year	64,086
Other post employment benefits, due within one year	19,484
Net pension liability, due within one year	447,233
Noncurrent liabilities	
Compensated absences, due in more than one year	363,157
Other post employment benefits, due in more than one year	110,411
Net pension liability, due in more than one year	5,118,660
Total liabilities	12,447,786
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension obligations	283,581
<b>NET POSITION</b>	
Net investment in capital assets	216,558,649
Restricted for:	
DOT ETDM	39,609
Land Management	4,069,709
Surplus Lands Funds	367,792
DOT Mitigation Projects	596,259
Suwannee River Partnership Projects	463,580
Land Acquisition - PCS Mitigation	6,121,227
Project Effectiveness Metrics	426,594
RIVER Cost-Share	1,777,139
Agricultural Cost-Share	1,296,207
Regional Water Resource Projects	3,766,391
Economic Stabilization Reserve	2,600,000
Unrestricted	
Operating Liquidity Reserve	3,900,000
General Fund Operations	4,751,361
Total net position	\$ 246,734,517

See notes to the financial statements.

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT**  
**STATEMENT OF ACTIVITIES**  
For the Fiscal Year Ended September 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental activities:</b>					
Water resource planning and monitoring	6,369,332	500	4,892,986	12,948	(1,462,898)
Acquisition, restoration and public works	9,237,506	-	4,444,661	2,306,850	(2,485,995)
Operation, maintenance of lands and works	4,019,456	-	2,069,383	76,736	(1,873,337)
Regulation	1,475,039	277,775	665,985	7,015	(524,264)
Outreach	202,511	-	-	-	(202,511)
Administration	1,549,993	-	266,063	5,937	(1,277,993)
<b>Total governmental activities</b>	<b>22,853,838</b>	<b>278,275</b>	<b>12,339,078</b>	<b>2,409,486</b>	<b>(7,826,999)</b>

<b>General Revenues</b>	
Property taxes	6,464,859
Timber sales	2,794,087
Interest income	315,669
Other income	526,973
Decrease in fair value of investments	(2,622,250)
Loss on disposal of assets and conveyance	(2,147,322)
<b>Total general revenues</b>	<b>5,332,016</b>
Change in net position	(2,494,983)
Net position at beginning of year	249,229,500
<b>Net position at end of year</b>	<b>246,734,517</b>

See notes to the financial statements.

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
September 30, 2022**

	Special Revenue Funds					Total Governmental Funds
	General Fund	Land Management & Operations Fund	District Fund	State Fund	Federal Fund	
<b>Assets</b>						
Cash and cash equivalents	\$ 642,970	\$ -	\$ -	\$ -	\$ -	\$ 642,970
Investments	38,894,367	-	-	-	-	38,894,367
Receivables	-	182,833	-	-	-	182,833
Intergovernmental receivables	5,923	-	-	1,281,796	193,440	1,481,159
Prepaid items	68,815	-	-	-	-	68,815
Due from other funds	152,617	4,678,489	7,331,818	10,521,979	-	22,684,903
<b>Total assets</b>	<b>\$ 39,764,692</b>	<b>\$ 4,861,322</b>	<b>\$ 7,331,818</b>	<b>\$ 11,803,775</b>	<b>\$ 193,440</b>	<b>\$ 63,955,047</b>
<b>Liabilities</b>						
Accounts payable	\$ 261,405	\$ 368,821	\$ 65,487	\$ 1,290,307	\$ 20,615	\$ 2,006,635
Accrued liabilities	354,438	-	-	-	-	354,438
Interest payable	-	-	-	231	-	231
Unearned revenue	-	55,000	-	3,167,372	-	3,222,372
Due to other funds	22,386,888	-	-	125,190	172,825	22,684,903
Deposits payable	110,000	-	-	-	-	110,000
Performance damage deposits	631,079	-	-	-	-	631,079
<b>Total liabilities</b>	<b>23,743,810</b>	<b>423,821</b>	<b>65,487</b>	<b>4,583,100</b>	<b>193,440</b>	<b>29,009,658</b>
<b>Fund balances</b>						
Nonspendable						
Prepaid expenses	68,815	-	-	-	-	68,815
Restricted for:						
Land Management	-	4,069,709	-	-	-	4,069,709
Surplus Land Funds	-	367,792	-	-	-	367,792
DOT ETDM	-	-	-	39,609	-	39,609
DOT Mitigation Projects	-	-	-	596,259	-	596,259
Suwannee River Partnership Projects	-	-	-	463,580	-	463,580
Land Acquisition - PCS Mitigation	-	-	-	6,121,227	-	6,121,227
Committed for:						
Project Effectiveness Metrics	-	-	426,594	-	-	426,594
Agricultural Cost-Share	-	-	1,296,207	-	-	1,296,207
Regional Water Resource Projects	-	-	3,766,391	-	-	3,766,391
River Cost-Share	-	-	1,777,139	-	-	1,777,139
Economic Stabilization Reserve	2,600,000	-	-	-	-	2,600,000
Assigned Operating Liquidity Reserve	3,900,000	-	-	-	-	3,900,000
Unassigned, general fund operations	9,452,067	-	-	-	-	9,452,067
<b>Total fund balances</b>	<b>16,020,882</b>	<b>4,437,501</b>	<b>7,266,331</b>	<b>7,220,675</b>	<b>-</b>	<b>34,945,389</b>
<b>Total liabilities and fund balance</b>	<b>\$ 39,764,692</b>	<b>\$ 4,861,322</b>	<b>\$ 7,331,818</b>	<b>\$ 11,803,775</b>	<b>\$ 193,440</b>	<b>\$ 63,955,047</b>

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	216,558,649
Deferred outflows/inflows are not available resources and, therefore, are not reported in the funds.	1,353,510
Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(6,123,031)
<b>Net position of governmental activities</b>	<b>\$ 246,734,517</b>

See notes to the Financial Statements.

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**

For the Fiscal Year Ended September 30, 2022

	General Fund	Management & Operations Fund	District Fund	State Fund	Federal Fund	Total Governmental Funds
<b>Revenues</b>						
Ad valorem taxes	\$ 5,728,306	\$ 736,553	\$ -	\$ -	\$ -	\$ 6,464,859
Intergovernmental revenue	2,739,999	2,146,119	-	8,418,361	1,444,085	14,748,564
License and permit fees	277,775	-	-	-	-	277,775
Charges for services	-	500	-	-	-	500
Timber revenue	-	2,794,087	-	-	-	2,794,087
Other income	111,779	30,497	34,435	350,262	-	526,973
Interest income	233,010	-	-	82,659	-	315,669
Decrease in fair value investment	(1,979,682)	-	-	(642,568)	-	(2,622,250)
<b>Total revenues</b>	<b>7,111,187</b>	<b>5,707,756</b>	<b>34,435</b>	<b>8,208,714</b>	<b>1,444,085</b>	<b>22,506,177</b>
<b>Expenditures</b>						
General government						
Water resource planning and monitoring	2,845,907	-	59,400	2,180,663	1,200,271	6,286,241
Acquisition, restoration and public works	1,014,635	30,742	2,190,406	5,579,447	243,814	9,059,044
Operation, maintenance of lands and works	-	3,960,006	-	-	-	3,960,006
Regulation	1,461,506	-	-	-	-	1,461,506
Outreach	200,696	-	-	-	-	200,696
Administration	1,532,232	-	-	-	-	1,532,232
Capital outlay	31,295	704,246	-	1,673,945	-	2,409,486
<b>Total general government expenditures</b>	<b>7,086,271</b>	<b>4,694,994</b>	<b>2,249,806</b>	<b>9,434,055</b>	<b>1,444,085</b>	<b>24,909,211</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>24,916</b>	<b>1,012,762</b>	<b>(2,215,371)</b>	<b>(1,225,341)</b>	<b>-</b>	<b>(2,403,034)</b>
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	42,045	-	42,045
Transfers out	(42,045)	-	-	-	-	(42,045)
<b>Total other financing sources (uses)</b>	<b>(42,045)</b>	<b>-</b>	<b>-</b>	<b>42,045</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>(17,129)</b>	<b>1,012,762</b>	<b>(2,215,371)</b>	<b>(1,183,296)</b>	<b>-</b>	<b>(2,403,034)</b>
<b>Fund balance at beginning of year</b>	<b>16,038,011</b>	<b>3,424,739</b>	<b>9,481,702</b>	<b>8,403,971</b>	<b>-</b>	<b>37,348,423</b>
<b>Fund balance at end of year</b>	<b>16,020,882</b>	<b>4,437,501</b>	<b>7,266,331</b>	<b>7,220,675</b>	<b>-</b>	<b>34,945,389</b>

See notes to the financial statements.

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

For the Fiscal Year Ended September 30, 2022

Net change in fund balances - total governmental funds		(2,403,034)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Expenditures for capital assets	2,409,486	
Less current year depreciation	<u>(408,894)</u>	2,000,592
 The net effect of various miscellaneous transactions involving assets (i.e., contributions, sales, conveyance, and disposals) is to decrease net assets.		
Loss on disposal of fixed assets, net	<u>(2,147,322)</u>	(2,147,322)
 Some expenditures reported in the statement of activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds. Also, recognition of certain obligations related to prior and subsequent periods are not recognized in governmental funds but are recognized in the statement of activities.		
Recognition of changes in deferred inflows and outflows of resources:		
Florida State Retirement Pension	3,181,501	
OPEB	(13,180)	
Recognition of changes in long-term debt:		
Compensated absences	(38,736)	
OPEB liability	238,581	
Net pension liability	<u>(3,313,385)</u>	<u>54,781</u>
 Change in net position of governmental activities		<u><u>(2,494,983)</u></u>

See notes to the financial statements.

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

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

The Suwannee River Water Management District (the "District") was established by the Florida Water Resources Act of 1972, Chapter 72-299, Laws of Florida, and operates under Chapter 373, *Florida Statutes*. It was the State of Florida Legislature's stated intent in establishing the District, and other Districts, to provide for the management of water and related land resources, promote the conservation, development, and proper utilization of surface and ground water, develop and regulate dams, impoundments, reservoirs, and other works and to provide water storage for beneficial purposes; prevent damage from floods, soil erosion, and excessive drainage, preserve natural resources, fish and wildlife; promote recreational development, protect public lands and assist in maintaining the navigability of rivers and harbors and otherwise promote the health, safety, and the general welfare of the people of the state.

The District encompasses all or part of fifteen counties in the northeastern part of Florida. There are nine members of the District Governing Board. Each member resides within the District and is appointed by the Governor and confirmed by the Senate. Board members are appointed for a four-year term.

The District's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is responsible for establishing accounting principles generally accepted in the United States of America for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in accounting principles generally accepted in the United States of America and used by the District are discussed below.

**A. Financial Reporting Entity**

As required by accounting principles generally accepted in the United States of America, these financial statements present the District as a component unit of the State of Florida. Based on the criteria listed below, the State of Florida is considered a primary government.

A primary government is financially accountable for an organization if (1) it appoints a voting majority of the organization's governing board, (2) it is able to impose its will on the organization or (3) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government. Based upon these criteria, the District is considered to be a component unit of the State of Florida and is disclosed as such in the State of Florida financial statements.

**B. Financial Reporting Structure**

The basic financial statements include both government-wide (based on the District as a whole) and fund financial statements.

## **Government-wide Financial Statements**

The government-wide financial statements (i.e. the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. The focus of the government-wide statements is on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Administrative overhead, including centralized expenses, are directly allocated to specific functions and are included in direct expenses. 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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Program revenues are netted within program expenses in the statement of activities to present the net cost of each program.

## **Fund Financial Statements**

The emphasis of fund financial statements is on the District's major funds, each presented in a separate column.

The District's transactions are recorded in the following fund types:

The General Fund is the principal operating fund used to account for most of the District's general activities.

Special Revenue Funds account for proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

The District reports the following major governmental funds:

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

The Land Management and Operations Fund accounts for timber transactions, land use charges, acquisitions and surplus, fleet and facilities, and funds appropriated by the State of Florida legislature for the purpose of land management: maintenance, capital improvements of land titled to the District, and payments in lieu of taxes.

The District Special Revenue Fund was created to consolidate similar accounting funds that were established by the Governing Board's commitment of fund balance for a specific use. Those accounting funds consolidated into the District Special Revenue Fund include the Agricultural Cost-Share program, Regional Initiative Valuing Environmental Resources ("RIVER") Cost-Share program, Project Effectiveness Metrics, and Regional Water Resource Development.

The State Special Revenue Fund was created to consolidate similar accounting funds that were established to account for programs funded by the State of Florida for a specific purpose. Those accounting funds consolidated into the State Special Revenue Fund include the Alternative Water Supply and Water Protection and Sustainability Program Grants ("WPSP"), Spring Appropriation Grants, Water Management Lands Trust Fund – Springs Appropriation, Florida Forever/Preservation 2000, DOT – Environmental Transportation Decision Making ("ETDM") Grant, DOT Mitigation Grants, Minimum Flows and Minimum Water Levels ("MFL") Appropriations, Suwannee River Partnership Program, Land Acquisition from Mitigation Funds, and Other State Reimbursable Grants.



The Federal Special Revenue Fund was created to consolidate similar accounting funds that were established to account for programs funded by Federal grants for a specific purpose. Those accounting funds consolidated into the Federal Special Revenue Fund include FEMA Risk Map Program Grants, and other Federal Reimbursable Grant programs.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange include property taxes, entitlements, and donations. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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 thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

Property taxes, intergovernmental revenues, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so 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 government.

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 they are needed.

As a general rule, the effect of interfund activity has been eliminated from the from the government wide financial statements.

**D. New Accounting Pronouncements**

In June 2017, the Governmental Accounting Standards Board issued Statement of Governmental Accounting Standards ("SGAS") No. 87 *Leases*. SGAS No. 87 requires the recognition by lessees of assets and liabilities that arise from all lease transactions, except for leases with a lease term of 12 months or less. The lessee accounting model under SGAS No. 87 results in all leases with a lease term of more than 12 months being accounted for in substantially the same manner as the existing accounting for capital leases. SGAS No. 87 also requires expanded qualitative and quantitative disclosures regarding the amount, timing, and uncertainty of cashflows arising from leases. The District adopted the provisions of SGAS No. 87 as of October 1, 2021. Coinciding with the implementation of SGAS No. 87, the District adopted a capitalization policy for leases that is consistent with the treatment of other capitalizable assets. The terms of this policy will be further discussed later in Note 1. As a result, the implementation of SGAS No. 87 did not impact the District's net position, changes in net position, fund balances, or changes in fund balances.

## **E. Accounting and Financial Reporting for Pensions**

**GASB Statement No. 68, *Accounting and Financial Reporting for Pensions***—an amendment of **GASB Statement No. 27**, requires the District to recognize as a liability their long-term obligation for pension benefits. The District's liability is to be measured as the difference between the present value of projected benefit payments to be provided through the pension plan for past periods of service less the amount of the pension plan's fiduciary net position. Obligations for the District's cost sharing plans are based on their proportionate share of contributions to the pension plan. The standard also requires immediate recognition of annual service cost, interest and changes in benefits for pension expense; specifies requirements for discount rates, attribution methods; and changes disclosure requirements.

## **F. Assets, Liabilities, Deferred Outflows/Inflows, and Net Position or Equity**

### **1. Deposits and Investments**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the District to invest in direct obligations of the U.S. Treasury, Local Government Surplus Funds Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1968, SEC registered money market funds with the highest credit quality rating and savings and interest-bearing time deposits or savings accounts in qualified public depositories.

Investments for the District are reported at fair value. The State of Florida Department of Financial Services Special Purpose Investment Account ("SPIA") operates in accordance with appropriate State laws and regulations. As a SPIA participant, the District invests in pools of investments whereby the District owns a share of the respective pool, not the underlying securities.

### **2. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available resources.

All receivables are shown net of an allowance for uncollectible receivables.

### 3. Property Taxes

The District is authorized by Section 373.503, *Florida Statutes*, to levy ad valorem taxes on all real and personal property located within the District not to exceed .75 mills. The rate for the 2021-2022 fiscal year was .3615 mills. The property assessment and tax collection functions are performed by appropriate officials of county government in each of the fifteen counties comprising the District. Commissions are paid to the counties for these appraisal and collection services.

Taxes are billed and collected for the District by the County Tax Collectors according to *Florida Statutes* under the following calendar:

Lien Date:	January 1
Levy Date:	October 1
Due Date:	November 1
Delinquency Date:	April 1

### 4. 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.

### 5. Capital Assets

Capital assets, which include property, plant, and equipment are reported in the governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 (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 acquisition value at the date of donation.

Additions, improvements, and other capital outlay that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

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

Assets	Years
Buildings	40
Office equipment	10
Mobile equipment	7
Field equipment	7
Computer equipment	5

The District does not own any infrastructure assets.

## **6. Capitalization of Leases**

In compliance with SGAS No. 87, *Leases*, the District considers capitalization of leases whose terms exceed 12 months. This results in both a lease asset and a lease liability being reported in the governmental activities column of the government-wide financial statements. Both are amortized over the term of their respective lease. In order to efficiently record material lease transactions, the District has adopted a capitalization policy for leases. According to this policy, leased property and equipment whose asset or liability is amortized at a rate in excess of \$5,000 annually are capitalized and reported on the financial statements in a manner consistent with the provisions outlined in SGAS No. 87. Payments for all other leased property and equipment are recorded as operating expenses. For the year ending September 30, 2022, the District reported no lease assets or liabilities on its government-wide financial statements.

## **7. Unearned Revenues**

Unearned revenues reported in government-wide financial statements represent unearned timber and grant revenues. The unearned revenues will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting. Unearned revenues reported in governmental fund financial statements represent unearned revenues which are measurable but not available and, in accordance with the modified accrual basis of accounting, are reported as unearned revenues. At September 30, 2022, the District reported \$3,222,372 in unearned revenues.

## **8. Compensated Absences**

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation and sick pay benefits are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if it has matured, for example, as a result of employee resignations and retirements.

## **9. Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

## **10. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District only has two items that qualify for reporting in this category. The first is the deferred charge on pensions in the government-wide statement of net position. Deferred outflows on pensions are recorded when actual earnings on pension plan investments exceed projected earnings and are amortized to pension expense using a systematic and rational method over a closed five-year period. Deferred outflows on pensions also include the difference between expected and actual experience with regard to economic or demographic factors; changes of assumptions about future economic, demographic, or other input factors; or changes in the District's proportionate share of net pension liability. These are amortized over the average expected remaining service lives of all employees that are provided with pensions through each pension plan. Contributions to pension plans made subsequent to the measurement date are also deferred and reduce net pension liability in the subsequent year. The second type of deferred outflow recorded in the financial statements is related to the Other Post-Employment Obligations of the District. This deferred outflow is related to the benefits paid subsequent to year end.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which is related to pensions. Deferred inflows on pension plan investments exceed actual earnings and are amortized to pension expense using a systematic and rational method over a closed five-year period. Deferred inflows on pensions also include the difference between expected and actual experience with regard to economic or demographic factors; changes of assumptions about future economic, demographic, or other input factors; or changes in the District's proportionate share of net pension liability. These are amortized over the average expected remaining service lives of all employees that are provided with pensions through each pension plan.

## **11. Fund Balances – Governmental Funds**

As of September 30, 2022, fund balances of the governmental funds are classified as follows:

**Non-spendable** – amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

**Restricted** – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

**Committed** – amounts that can be used only for specific purposes determined by a formal action of the District. The Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board.

**Assigned** – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District's adopted policy, only the Executive Director may assign amounts for specific purposes.

Unassigned – all other spendable amounts.

As of September 30, 2022, fund balances are composed of the following:

	<u>Governmental Funds</u>
Nonspendable, Prepaid Expenses	\$ 68,815
Restricted, DOT ETDM	39,609
Restricted, Land Management	4,069,709
Restricted, Surplus Land Funds	367,792
Restricted, DOT Mitigation Projects	596,259
Restricted, Suwannee River Partnership Projects	463,580
Restricted, Land Acquisition - PCS Mitigation	6,121,227
Committed, Project Effectiveness Metrics	426,594
Committed, RIVER Cost-Share	1,777,139
Committed, Agricultural Cost-Share	1,296,207
Committed, Regional Water Source Projects	3,766,391
Committed, Economic Stabilization Reserve	2,600,000
Assigned, Operating Liquidity	3,900,000
Unassigned, General Fund Operations	9,452,067
	<u>\$ 34,945,389</u>

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

## **12. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### **NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

#### **A. Explanation of Differences Between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Position.**

“Total fund balances” of the District’s governmental funds \$34,945,389 differs from “net position” of governmental activities \$246,734,517 reported in the statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental funds balance sheet.

**Capital related items**

When capital assets (property, plant, equipment) that are to be used in governmental activities are purchased or constructed, the cost of these assets are reported as expenditures in governmental funds. However, the statement of net position included those capital assets among the assets of the District as a whole.

Cost of capital assets	\$ 221,361,677
Accumulated depreciation	<u>(4,803,028)</u>
	<u>\$ 216,558,649</u>

**Long-term debt transactions**

Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the statement of net position. Balances at September 30, 2022, were:

Compensated absences	\$ (427,243)
Other post-employment benefits	(129,895)
Net pension liability	<u>(5,565,893)</u>
	<u>\$ (6,123,031)</u>

**Deferred outflows/inflows of resources**

Deferred outflows of resources represent a consumption of net position in a future period while deferred inflows of resources represent an acquisition of net position in a future period and accordingly, are not reported in the governmental fund statements. However, the statement of net position included those deferred outflows/inflows of resources.

Deferred outflows	\$ 1,637,091
Deferred inflows	<u>(283,581)</u>
	<u>\$ 1,353,510</u>

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT**  
**NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of Differences Between Governmental Fund Balance Sheet and the Government-wide Statement of Net Position**

	Total Governmental Funds	Deferred Outflows/Inflows	Capital Related Items	Long-term Debt Transactions	Eliminations	Statement of Net Position
<b>ASSETS</b>						
Cash and cash equivalents	642,970	-	-	-	-	642,970
Investments	38,894,367	-	-	-	-	38,894,367
Receivables	182,833	-	-	-	-	182,833
Intergovernmental receivables	1,481,159	-	-	-	-	1,481,159
Prepaid expenses	68,815	-	-	-	-	68,815
Due from other funds	22,684,903	-	-	-	(22,684,903)	-
Capital assets - net	-	-	216,558,649	-	-	216,558,649
<b>Total assets</b>	<b>63,955,047</b>	<b>-</b>	<b>216,558,649</b>	<b>-</b>	<b>(22,684,903)</b>	<b>257,828,793</b>
<b>DEFERRED OUTFLOWS</b>						
OPEB obligation	-	14,258	-	-	-	14,258
Pension obligations	-	1,622,833	-	-	-	1,622,833
	-	1,637,091	-	-	-	1,637,091
<b>LIABILITIES</b>						
Accounts payable	2,006,635	-	-	-	-	2,006,635
Accrued liabilities	354,438	-	-	-	-	354,438
Interest payable	231	-	-	-	-	231
Unearned revenues	3,222,372	-	-	-	-	3,222,372
Due to other funds	22,684,903	-	-	-	(22,684,903)	-
Deposits payable	110,000	-	-	-	-	110,000
Performance damage deposits	631,079	-	-	-	-	631,079
Compensated absences	-	-	-	427,243	-	427,243
OPEB liability	-	-	-	129,895	-	129,895
Net pension liability	-	-	-	5,565,893	-	5,565,893
<b>Total liabilities</b>	<b>29,009,658</b>	<b>-</b>	<b>-</b>	<b>6,123,031</b>	<b>(22,684,903)</b>	<b>12,447,786</b>
<b>DEFERRED INFLOWS</b>						
	-	283,581	-	-	-	283,581
<b>FUND BALANCE/NET POSITION</b>						
Fund balance/net position	34,945,389	1,353,510	216,558,649	(6,123,031)	-	246,734,517



**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

The “net change in fund balances” for governmental funds \$(2,403,034) differs from the “change in net position” for governmental activities \$(2,494,983) reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

**Capital related items**

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balances decrease by the amount of financial resources expended, whereas net position decreases by the amount of depreciation expense charges for the year.

Capital outlay	\$ 2,409,486
Depreciation expense	(408,894)
Loss of disposals and grants	(2,147,322)
	<u>\$ (146,730)</u>

**Long-term debt related items**

Some expenses reported in the statement of activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.

Net increase in compensated absences	\$ (38,736)
Net increase in other post-employment benefits	238,581
Net decrease in net pension expense	(3,313,385)
	<u>\$ (3,113,540)</u>

**Other items**

Recognition of certain obligations related to prior and subsequent periods are not recognized in the governmental funds.	<u>\$ 3,168,321</u>
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**SUWANNEE RIVER WATER MANAGEMENT DISTRICT**

**NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS.**

**B. Explanation of Difference Between Government Fund Operating Statements and the Statement of Activities**

	Total Governmental	Capital	Long-term Debt Transactions/ Eliminations	Deferred Outflows/Inflows	Statement of Activities
	Funds	Related Items			
<b>Revenues</b>					
Ad valorem taxes	6,464,859	-	-	-	6,464,859
Intergovernmental revenue	14,748,564	-	-	-	14,748,564
License and permit fees	277,775	-	-	-	277,775
Charges for service	500	-	-	-	500
Timber revenue	2,794,087	-	-	-	2,794,087
Other income	526,973	-	-	-	526,973
Interest income	315,669	-	-	-	315,669
Increase/(decrease) in fair value of investment	(2,622,250)	-	-	-	(2,622,250)
<b>Total revenues</b>	<b>22,506,177</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,506,177</b>
<b>Expenditures</b>					
General government					
Water resource planning and monitoring	6,286,241	103,404	1,154,501	(1,174,813)	6,369,332
Acquisition, restoration and public works	9,059,044	186,575	461,115	(469,228)	9,237,506
Operation, maintenance of lands and works	3,960,006	66,265	387,324	(394,139)	4,019,456
Regulation	1,461,506	24,106	600,913	(611,486)	1,475,039
Outreach	200,696	3,294	84,066	(85,545)	202,511
Administration	1,532,232	25,250	425,621	(433,109)	1,549,993
Capital outlay	2,409,486	(2,409,486)	-	-	-
<b>Total general government expenditures</b>	<b>24,909,211</b>	<b>(2,000,592)</b>	<b>3,113,540</b>	<b>(3,168,321)</b>	<b>22,853,838</b>
<b>Excess of revenues over expenditures</b>	<b>(2,403,034)</b>	<b>2,000,592</b>	<b>(3,113,540)</b>	<b>3,168,321</b>	<b>(347,661)</b>
<b>Other financing sources (uses)</b>					
Transfers in	42,045	-	(42,045)	-	-
Transfers out	(42,045)	-	42,045	-	-
Gain (loss) on disposal of assets	-	(2,147,322)	-	-	(2,147,322)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(2,147,322)</b>	<b>-</b>	<b>-</b>	<b>(2,147,322)</b>
<b>Net change in fund balance</b>	<b>(2,403,034)</b>	<b>(146,730)</b>	<b>(3,113,540)</b>	<b>3,168,321</b>	<b>(2,494,983)</b>
<b>Fund balance at beginning of year</b>	<b>37,348,423</b>	<b>216,705,379</b>	<b>(3,009,491)</b>	<b>(1,814,811)</b>	<b>249,229,500</b>
<b>Fund balance at end of year</b>	<b>34,945,389</b>	<b>216,558,649</b>	<b>(6,123,031)</b>	<b>1,353,510</b>	<b>246,734,517</b>

### NOTE 3. DETAILED NOTES ON ALL FUNDS

#### A. Deposits and Investments

*Deposits.* At year end, the carrying amount of the District's deposits was \$642,970. The entire bank balance of \$673,178, was covered by Federal depository insurance or by collateral, held by the District's custodial bank, which is pledged to a state trust fund that provides security in accordance with the Florida Security for Deposits Act, Chapter 280, for amounts held in excess of FDIC coverage.

The Florida Security for Public Deposits Act established guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral.

*Investments.* The foremost objective of the District's investment policy is the safety of capital and liquidity of funds. Achieving an optimal rate of return is of secondary importance as compared to the safety and liquidity of funds. The District's investment policy limits investments to those relatively low risk securities authorized in anticipation of earning a fair return relative to the risk being assumed. How the District manages credit risk, interest rate risk, and custodial credit risk is as follows:

Credit Risk: The District is a participant in the State of Florida Department of Financial Services Special Purpose Investment Account ("SPIA"). As a SPIA participant, the District invests in the Florida Treasury Investment Pool. The Florida Treasury Investment Pool is a pool of investments whereby the District owns a share of the pool, not the underlying securities. The Florida Treasury Investment Pool is rated by Standard and Poor's. The current rating is AA-f. The unaudited fair value factor for September 30, 2022 of this pool was 0.9357. This fair value factor is also posted to the Florida State Treasury website at [www.fltreasury.org](http://www.fltreasury.org).

Interest Rate Risk: The District manages its exposure to declines in fair values of investments by investing operating funds primarily in shorter-term securities, State of Florida Department of Financial Services Special Purpose Investment Account. The effective duration of SPIA at September 30, 2022 was 2.67 years.

Custodial Credit Risk: Investments are subject to custodial credit risk if the securities are uninsured, not registered in the District's name, and are held by the party that either sells to or buys for the District. No investments held at year end were subject to custodial credit risk. The District owns shares of the Florida Treasury Investment Pool, and not the underlying investments. The District has not participated in a securities lending program in the fiscal year ending September 30, 2022.

Foreign Currency Risk: State law and investment policy do not authorize the Treasury Investment Pool to purchase investments in foreign currencies. Therefore, the Treasury Investment Pool is not exposed to Foreign Currency Risk.

Fair Value Hierarchy: Participants contribute to the Treasury Pool on a dollar basis. These funds are commingled and a fair value of the pool is determined from the individual values of the securities. The fair value of the securities is summed and a total pool fair value is determined. A fair value factor is calculated by dividing the pool's total fair value by the pool participant's total cash balances. The fair value factor is the ratio used to determine the fair value of an individual participant's pool balance.

As of September 30, 2022, the District had the following investments reported fair values:

	<b>Fair Value</b>
<b>Florida Treasury Investment Pool</b>	<b><u>\$ 38,894,367</u></b>

**B. Unearned Revenue**

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds was as follows:

	<b>Unearned</b>
<b>Drawdowns prior to meeting all eligibility requirements</b>	<b><u>\$ 3,222,372</u></b>

**C. Receivables**

Receivables as of year-end for the government's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<b>General Fund</b>	<b>Other Governmental Funds</b>	<b>Total</b>
<b>Receivables:</b>			
Intergovernmental	\$ 5,923	\$ 1,475,236	\$ 1,481,159
Other	-	182,833	182,833
<b>Gross total receivables</b>	<b><u>\$ 5,923</u></b>	<b><u>\$ 1,658,069</u></b>	<b><u>\$ 1,663,992</u></b>

**D. Capital Assets**

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

	<b>Beginning</b>	<b>Additions</b>	<b>Deletions</b>	<b>Adjustments</b>	<b>Ending</b>
Land	152,838,568	4,902,487	(3,509,969)	-	154,231,086
Easements	59,432,271	694,289	-	-	60,126,560
Land - Headquarters	37,685	-	-	-	37,685
	<u>212,308,524</u>	<u>5,596,776</u>	<u>(3,509,969)</u>	<u>-</u>	<u>214,395,331</u>
Buildings and improvements	6,817,624	39,760	(2,549,540)	-	4,307,844
Office/field	1,311,903	-	(1,287)	-	1,310,616
Computer	816,454	35,611	(274,530)	-	577,535
Mobile	762,623	32,660	(24,932)	-	770,351
	<u>9,708,604</u>	<u>108,031</u>	<u>(2,850,289)</u>	<u>-</u>	<u>6,966,346</u>
<b>Total capital assets</b>	<b><u>222,017,128</u></b>	<b><u>5,704,807</u></b>	<b><u>(6,360,258)</u></b>	<b><u>-</u></b>	<b><u>221,361,677</u></b>
Depreciation:					
Building	(3,423,861)	(122,377)	711,479	2,440	(2,832,319)
Office/field	(941,451)	(103,490)	1,287	-	(1,043,654)
Computer	(589,440)	(93,270)	274,477	-	(408,233)
Mobile	(356,997)	(89,757)	24,932	(97,000)	(518,822)
	<u>(5,311,749)</u>	<u>(408,894)</u>	<u>1,012,175</u>	<u>(94,560)</u>	<u>(4,803,028)</u>
<b>Net depreciable assets</b>	<b><u>4,396,855</u></b>	<b><u>(300,863)</u></b>	<b><u>(1,838,114)</u></b>	<b><u>(94,560)</u></b>	<b><u>2,163,318</u></b>
<b>Total assets</b>	<b><u>216,705,379</u></b>	<b><u>5,596,776</u></b>	<b><u>(3,509,969)</u></b>	<b><u>-</u></b>	<b><u>216,558,649</u></b>

Depreciation expense was charged to functions of the District as follows:

<b>Governmental Activities</b>	
Water, resource, planning and monitoring	\$ 103,404
Acquisition, restoration and public works	186,575
Operation, maintenance of lands and works	66,265
Regulation	24,106
Outreach	3,294
Administration	25,250
<b>Total depreciation expense</b>	<b>\$ 408,894</b>

**E. Interfund Balances and Activity**

**Interfund Receivables/Payables**

	<u>Due To</u>	<u>Due From</u>
General Fund	\$ 22,386,888	\$ 152,617
Land Management and Operations Fund	-	4,678,489
District Fund	-	7,331,818
State Fund	125,190	10,521,979
Federal Fund	172,825	-
	<u>\$ 22,684,903</u>	<u>\$ 22,684,903</u>

Interfund receivables/payables represent loans to fund expenditures of other funds.

**Transfers To/From Other Funds**

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 42,045
State Fund	42,045	-
	<u>\$ 42,045</u>	<u>\$ 42,045</u>

**F. Long-term Liabilities**

**Changes in Long-term Liabilities:** Long-term liability activity for the year ended September 30, 2022, was as follows:

	<u>Balance 9/30/2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 9/30/2022</u>	<u>Due Within One Year</u>
Governmental activities:					
Compensated absences	\$ 388,507	\$ 445,048	\$ (406,312)	\$ 427,243	\$ 64,086
Other post-employment benefits	368,476	-	(238,581)	129,895	19,484
Net pension liability	2,252,508	3,313,385	-	5,565,893	447,233
	<u>\$ 3,009,491</u>	<u>\$3,758,433</u>	<u>\$ (644,893)</u>	<u>\$6,123,031</u>	<u>\$ 530,804</u>

The compensated absences liability, other post-employment benefits, and net pension liability will be liquidated primarily by the General Fund.

#### **NOTE 4. OTHER INFORMATION**

##### **A. Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Settlements have not exceeded insurance coverage for any of the past three fiscal years.

##### **B. Contingent Liabilities**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally Federal and State governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the District.

##### **C. Deferred Compensation Plan**

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time District employees, permits the participants to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseen financial emergency. The District does not contribute to the 457 plan. Participation under the plan is solely at the discretion of the employee.

The District has no liability for losses under the 457 plan but does have the duty of due care that would be required of an ordinary prudent investor. The District does not have a fiduciary relationship with the plan. Therefore, the assets and liabilities related to the plan are not recorded in the District's financial statements.

##### **D. Related Party Balances and Transactions**

One Board member has entered into multiple timber service agreements with the District. The District received \$349,001 in timber-related revenue from these agreements and paid \$0 in contractual services. The remaining contract balance on the timber-related agreements as of September 30, 2022 was \$2,292.

Another Board member was approved to participate in the District Agricultural Cost-Share Program, receiving \$85,109. This noncompetitive program assists farmers in upgrading irrigations systems to reduce water use and nitrogen loading. As of September 30, 2022, the balance remaining under the Agricultural Cost-Share Program to related parties was \$418,833.

Six Board members hold environmental resource permits. One of these Board members also holds agricultural water use permits.

**NOTE 5. COST-SHARING MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLANS – FLORIDA RETIREMENT SYSTEM PENSION PLAN AND THE RETIREMENT HEALTH INSURANCE SUBSIDY PROGRAM**

**A. Florida Retirement System**

General Information - All of the District's employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, *Florida Statutes*, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, which include the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Under Section 121.4501, *Florida Statutes*, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, which is administered by the State Board of Administration ("SBA"). As a general rule, membership in the FRS is compulsory for all employees who work in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, *Florida Statutes*, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site:

[www.dms.myflorida.com/workforce\\_operations/retirement/publications](http://www.dms.myflorida.com/workforce_operations/retirement/publications).

**B. Pension Plan**

Plan Description – The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program ("DROP") for eligible employees.

Benefits Provided - Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers' class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers' class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

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

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants

Contributions - Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2021 through June 30, 2022 and from July 1, 2022 through September 30, 2022, respectively, were as follows: Regular—10.82% and 11.91%; Special Risk Administrative Support—37.76% and 38.65%; Special Risk—25.89% and 27.83%; Senior Management Service—29.01% and 31.57%; Elected Officers'—40.91% and 43.77%; and DROP participants—18.34% and 18.60%. These employer contribution rates include a 1.66% and 1.66% HIS Plan subsidy for the periods October 1, 2021 through June 30, 2022 and from July 1, 2022 through September 30, 2022, respectively.

The District's contributions, including employee contributions, to the Pension Plan totaled \$615,791 for the fiscal year ended September 30, 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2022 the District reported a liability of \$4,315,018 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The District's proportionate share of the net pension liability was based on the District's 2021-22 fiscal year contributions relative to the 2020-21 fiscal year contributions of all participating members. At June 30, 2022, the District's proportionate share was .0115970059 percent, which was an increase of 7.96 percent from its proportionate share measured as of June 30, 2021.



For the fiscal year ended September 30, 2022, the District recognized pension expense of \$140,032. In addition the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 204,938	\$ -
Changes in assumptions	531,413	-
Net difference between projected and actual earnings on Pension Plan investments	284,920	-
Changes in proportion and differences between District Pension Plan contributions and proportionate share of contributions	316,056	73,812
District Pension Plan contributions subsequent to the measurement date	124,729	-
<b>Total</b>	<b>\$ 1,462,056</b>	<b>\$ 73,812</b>

The deferred outflows of resources related to the Pension Plan, totaling \$124,729, resulting from District contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2023	\$ 305,561
2024	115,303
2025	(103,189)
2026	897,830
2027	48,011
Thereafter	-
	<b>\$ 1,263,516</b>

**Actuarial Assumptions** – The total pension liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

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

Mortality rates were based on the PUB-2010 base table, generationally mortality using the gender specific MP 2018 mortality improvement projection scale.

The actuarial assumptions used in the July 1, 2022, valuation was based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

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

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.6%	2.6%	1.1%
Fixed income	19.8%	4.4%	4.4%	3.2%
Global equity	54.0%	8.8%	7.3%	17.8%
Real estate	10.3%	7.4%	6.3%	15.7%
Private equity	11.1%	12.0%	8.9%	26.3%
Strategic investments.	3.8%	6.2%	5.9%	7.8%
<b>Total</b>	<b>100.0%</b>			
Assumed inflation - mean			2.4%	1.3%

**Discount Rate** - The discount rate used to measure the total pension liability was 6.70%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation of the total pension liability is equal to the long-term expected rate of return.

**Sensitivity of the District's Proportionate Share of the Net Position Liability to Changes in the Discount Rate** - The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.70%) or one percentage point higher (7.70%) than the current rate:

	1% Decrease 5.70%	Current Discount Rate 6.70	1% Increase 7.70
District's proportionate share of the net pension liability	\$ 7,462,527	\$ 4,315,018	\$ 1,683,326

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

**Payables to the Pension Plan** - The District had no payables for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2022.

### **C. HIS Plan**

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

**Benefits Provided** – For the fiscal year ended September 30, 2022, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

**Contributions** – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2022, the HIS contribution for the period October 1, 2021 through June 30, 2022 and from July 1, 2022 through September 30, 2022 was 1.66% and 1.66%, respectively. The District contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The District's contributions to the HIS Plan totaled \$107,520 for the fiscal year ended September 30, 2022.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** – At September 30, 2022, the District reported a liability of \$1,250,875 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The District's proportionate share of the net pension liability was based on the District's 2021-22 fiscal year contributions relative to the 2020-21 fiscal year contributions of all participating members. At June 30, 2022, the District's proportionate share was .0118100714 percent, which was an increase of .53 percent from its proportionate share measured as of June 30, 2021.

For the fiscal year ended September 30, 2022, the District recognized an increase in Net Assets from changes in the HIS Plan of \$8,148. In addition the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 37,967	\$ 5,504
Changes in assumptions	71,701	193,510
Net difference between projected and actual earnings on HIS Plan investments	1,811	-
Changes in proportion and differences between District HIS Plan contributions and proportionate share of contributions	32,410	10,755
District HIS Plan contributions subsequent to the measurement date	16,888	-
<b>Total</b>	<b>\$ 160,777</b>	<b>\$ 209,769</b>

The deferred outflows of resources related to the HIS Plan, totaling \$16,888, resulting from District contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending	Amount
September 30	
2023	\$ 141,672
2024	76,397
2025	34,931
2026	(168,132)
2027	(125,743)
Thereafter	(25,005)
	\$ (65,880)

**Actuarial Assumptions** – The total pension liability in the July 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Municipal bond rate	3.54%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial valuation was prepared as of July 1, 2022, valuation was based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

**Discount Rate** - The discount rate used to measure the total pension liability was 3.54%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

**Sensitivity of the District's Proportionate Share of the Net Position Liability to Changes in the Discount Rate** - The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 3.54 %, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.54%) or one percentage point higher (4.54%) than the current rate:

	1% Decrease 2.54	Current Discount Rate 3.54	1% Increase 4.54
District's proportionate share of the net pension liability	\$ 1,431,104	\$ 1,250,875	\$ 1,101,739

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

**Payables to the HIS Plan** - The District had no payables for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2022.

**D. Investment Plan**

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, *Florida Statutes*, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected District Officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2021-22 fiscal year, as established by Section 121.72, *Florida Statutes*, are based on a percentage of gross compensation, by class, as follows: Regular class 6.30%, Special Risk Administrative Support class 7.95%, Special Risk class 14.00%, Senior Management Service class 7.67% and District Elected Officers class 11.34%.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2022, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan or remain in the Investment Plan and rely upon that account balance for retirement income.

The District had nineteen participants in the Investment Plan for the fiscal year ended September 30, 2022.

## NOTE 6. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

### Plan Description

The District has previously established and maintains an employee group health insurance plan (the Plan) that it makes available to eligible retirees in accordance with the State of Florida law and City ordinance. The Plan is a single employer, experience rated insurance plan that provides medical benefits to eligible retirees and their eligible dependents. The postretirement benefit portion of the Plan refers to the medical benefits applicable to current and future retirees and their eligible dependents. The Plan does not issue a stand-alone report and is not included in the report of a Public Employee Retirement System or another entity.

Membership of each plan consisted of the following as of the measurement date of September 30, 2021:

Date of Actuarial Valuation:	<u>September 30, 2021</u>
Retirees and Beneficiaries Receiving Benefits	2
Active Plan Members	<u>62</u>
Total	<u><u>64</u></u>

### Funding Policy

In prior years, the District has followed a pay-as-you-go funding policy, contributing only those amounts necessary to provide for its portion of current year benefit cost and expenses. The contribution requirements of plan members, if any, are established by the District. Eligible retirees pay the full cost of blended rate premiums associated with the medical plan elected; no direct District subsidy is currently applicable. However, there are implicit costs of the medical plan for retirees, as their claims experience is higher than the blended rate premiums. State of Florida Law prohibits the District from separately rating retirees and active employees specifically for medical plan benefits. The District, therefore, assigns eligible active employees and eligible retirees equal, blended-rate premiums and makes available to both groups the same plan options. Although both groups are assigned the same blended rate premiums, generally accepted auditing principles (GAAP) requires the actuarial liabilities presented below to be calculated using age-adjusted premiums approximating claim costs for eligible retirees separate from active eligible members. The use of age-adjusted premiums results in the full expected retiree obligation recognized in this disclosure.

### Annual OPEB Costs and Net OPEB Obligation

The Annual OPEB Cost is the amount that was expensed for the fiscal year. Since the District's OPEB plan is currently unfunded, the offset to that expense comes from subsidies paid on behalf of the current retirees and their dependents for the current year. This offset is called the Employer Contribution, and equals the total age-adjusted premiums paid by the District for coverage for the retirees and their dependents for the year (net of the retiree's own payments for the year). The cumulative difference between the Annual OPEB Cost for the year and the Employer Contribution for the year is called the Net OPEB Obligation. The Net OPEB Obligation is reflected as a liability in the statement of net position.

For the year ended September 30, 2022, the District recognized a decrease in the OPEB liability of \$238,581.

**Total OPEB Liability** - The District's total OPEB liability as of September 30, 2022 was determined by an actuarial valuation as of September 30, 2021 using September 30, 2021 as the measurement date. The actuarial assumptions used in the September 30, 2021 valuation with a measurement date of September 30, 2021 were as follows:

**Methods and Assumptions Used to Determine Total OPEB Liability**

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	3.00%
Discount Rate	2.19%
Initial Trend Rate FY beginning 2022	6.00%
Trend Rate for FY beginning 2023	5.75%
Ultimate Trend Rate	3.75%

Retirement age varies based on several factors including plan-specific retirement eligibility provisions and experience.

Mortality assumptions are based upon RP-2000 Generational Combined Healthy Participant mortality tables, projected from the year 2000 using Projection Scale AA.

Healthcare Cost Trend Rates are 6.00% for the fiscal year beginning 2022, 5.75% for the fiscal year beginning 2023 and then gradually decreasing to an ultimate trend rate of 3.75%.

Other information:

Changes in assumptions and other inputs include the change in the discount rate from 2.41% as of the beginning of the measurement period to 2.19% as of September 30, 2021. This change is reflected in the Schedule of Changes in Total OPEB Liability.

There were no benefit changes during the year.

For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this AMM roll forward calculation, the municipal bond rate is 2.19% (based on the daily rate of Fidelity's "20-Year Municipal GO AA Index" closest to but not later than the measurement date). The discount rate was 2.41% as of the previous measurement date.

There are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.



**Changes in the Total OPEB Liability:**

<u>Measurement Fiscal Year Ended September 30,</u>	<u>2021</u>
<b>Total OPEB Liability</b>	
Service cost	\$ 31,335
Interest	9,305
Changes in benefit terms	-
Difference between expected and actual experience of Total OPEB Liability	(192,129)
Changes in assumptions and inputs	(59,654)
Benefit payments	(27,438)
Net changes	<u>(238,581)</u>
Total OPEB Liability - Beginning of Fiscal Year	368,476
Total OPEB Liability - Ending of Fiscal Year	<u><u>\$ 129,895</u></u>
Covered Employee Payroll	\$ 4,324,982
Total OPEB Liability as a percentage of Covered Employee Payroll	3.00%

**Sensitivity of the total OPEB liability to changes in the discount rate** - The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.19%) or 1 percentage point higher (3.19%) than the current discount rate.

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	1.19	2.19	3.19
Total other postemployment benefits liability	<u>\$ 137,688</u>	<u>\$ 129,895</u>	<u>\$ 122,127</u>

**Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates** - The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate Assumption</u>	<u>1% Increase</u>
Total other postemployment benefits liability	<u>\$ 118,822</u>	<u>\$ 129,895</u>	<u>\$ 143,102</u>

Statement of OPEB expense Employer Fiscal Year End September 30, 2022:

(Based on Measurement Period Ending September 30, 2021.)

OPEB Expense		
Service cost	\$	31,335
Interest on the Total OPEB Liability		9,305
Changes in benefit terms		-
Difference between expected and actual experience of Total OPEB Liability		(192,129)
Changes in assumptions and inputs		(59,654)
Benefit payments		(27,438)
Total OPEB Expense	\$	<u>(238,581)</u>

**Schedule of Employer Contributions**

<u>Year Ended September 30</u>	<u>Annual OPEB Expense</u>	<u>% Contributed</u>	<u>Net OPEB Obligation</u>
2015	\$ 4,929	0%	\$ 387,168
2016	(9,196)	0%	377,972
2017	(13,262)	0%	364,710
2018	(19,920)	0%	112,588
2019	(7,709)	0%	104,879
2020	247,498	0%	352,337
2021	16,099	0%	368,476
2022	(238,581)	0%	129,895

**NOTE 7. CONTINGENCIES**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the State and Federal governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus (the “COVID-19 outbreak”) and the risks to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date that the accompanying financial statements were available to be issued. As such, it is uncertain as to the full magnitude that the pandemic will have on the District’s net position, liquidity, and future operations. The District’s operations are heavily dependent on access to grants and contracts from federal and state governments. The COVID-19 outbreak may have a continued impact on economic and market conditions. As of the date of the issuance of the financial statements, the District’s operations have not been significantly impacted, but the District’s management continues to monitor the situation.

**REQUIRED SUPPLEMENTARY INFORMATION**

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Fiscal Year Ended September 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		Positive (Negative)
<b>Revenues</b>				
Ad valorem taxes	\$ 5,082,069	\$ 5,082,069	\$ 5,728,306	\$ 646,237
Intergovernmental revenue	2,740,000	2,740,000	2,739,999	(1)
Licenses and permits	163,000	163,000	277,775	114,775
Other income	86,480	86,480	111,779	25,299
Interest income	130,000	130,000	233,010	103,010
Increase/(decrease) in fair value of investment	-	-	(1,979,682)	(1,979,682)
<b>Total revenues</b>	<b>8,201,549</b>	<b>8,201,549</b>	<b>7,111,187</b>	<b>(1,090,362)</b>
<b>Expenditures</b>				
General government				
Salaries and benefits	5,297,558	5,267,558	4,743,527	524,031
Contractual services	2,228,502	2,258,502	951,845	1,306,657
Operating expenditures	1,057,573	1,057,573	597,085	460,488
Intergovernmental expenditures	1,131,980	1,131,980	762,519	369,461
Capital outlay	200,608	200,608	31,295	169,313
<b>Total general government expenditures</b>	<b>9,916,221</b>	<b>9,916,221</b>	<b>7,086,271</b>	<b>2,829,950</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,714,672)</b>	<b>(1,714,672)</b>	<b>24,916</b>	<b>1,739,588</b>
<b>Other financing sources (uses)</b>				
Transfers out	(75,000)	(75,000)	(42,045)	32,955
<b>Total other financing sources (uses)</b>	<b>(75,000)</b>	<b>(75,000)</b>	<b>(42,045)</b>	<b>32,955</b>
<b>Net change in fund balance</b>	<b>(1,789,672)</b>	<b>(1,789,672)</b>	<b>(17,129)</b>	<b>1,772,543</b>
<b>Fund balance at beginning of year</b>	<b>16,038,011</b>	<b>16,038,011</b>	<b>16,038,011</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 14,248,339</b>	<b>\$ 14,248,339</b>	<b>\$ 16,020,882</b>	<b>\$ 1,772,543</b>

See notes to required supplementary information.

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT**  
**LAND MANAGEMENT AND OPERATIONS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Fiscal Year Ended September 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Ad valorem taxes	\$ 1,151,767	\$ 1,151,767	\$ 736,553	\$ (415,214)
Intergovernmental revenue	2,330,119	2,330,119	2,146,119	(184,000)
Charges for services	-	-	500	500
Timber revenue	1,000,000	1,000,000	2,794,087	1,794,087
Other income	-	-	30,497	30,497
<b>Total revenues</b>	<b>4,481,886</b>	<b>4,481,886</b>	<b>5,707,756</b>	<b>1,225,870</b>
<b>Expenditures</b>				
General government				
Salaries and benefits	827,736	827,736	770,075	57,661
Contractual services	3,129,898	3,129,898	2,156,943	972,955
Operating expenditures	773,927	773,927	453,809	320,118
Intergovernmental expenditures	710,435	710,435	609,921	100,514
Capital outlay	1,363,436	1,363,436	704,246	659,190
<b>Total general government expenditures</b>	<b>6,805,432</b>	<b>6,805,432</b>	<b>4,694,994</b>	<b>2,110,438</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(2,323,546)</b>	<b>(2,323,546)</b>	<b>1,012,762</b>	<b>3,336,308</b>
<b>Fund balance at beginning of year</b>	<b>3,424,739</b>	<b>3,424,739</b>	<b>3,424,739</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 1,101,193</b>	<b>\$ 1,101,193</b>	<b>\$ 4,437,501</b>	<b>\$ (3,336,308)</b>

See notes to required supplementary information.

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT**  
**DISTRICT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Fiscal Year Ended September 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		Positive (Negative)
<b>Revenues</b>				
Other income	\$ -	\$ -	\$ 34,435	\$ 34,435
Total revenues	-	-	34,435	34,435
<b>Expenditures</b>				
General government				
Contractual services	2,050,000	2,050,000	1,641,243	408,757
Operating expenditures	30,000	30,000	-	30,000
Intergovernmental expenditures	3,573,970	3,573,970	608,563	2,965,407
Total general government expenditures	5,653,970	5,653,970	2,249,806	3,404,164
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(5,653,970)	(5,653,970)	(2,215,371)	3,438,599
<b>Fund balance at beginning of year</b>	9,481,702	9,481,702	9,481,702	-
<b>Fund balance at end of year</b>	\$ 3,827,732	\$ 3,827,732	\$ 7,266,331	\$ 3,438,599

See notes to required supplementary information.

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT**  
**STATE SPECIAL REVENUE FUND**  
**BUDGET AND ACTUAL**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**For the Fiscal Year Ended September 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		Positive (Negative)
<b>Revenues</b>				
Intergovernmental revenue	\$ 30,950,664	\$ 30,950,664	\$ 8,418,361	\$ (22,532,303)
Other income	-	-	350,262	350,262
Interest revenue	-	-	82,659	82,659
Increase/(decrease) in fair value of investment	-	-	(642,568)	(642,568)
<b>Total revenues</b>	<b>30,950,664</b>	<b>30,950,664</b>	<b>8,208,714</b>	<b>(22,741,950)</b>
<b>Expenditures</b>				
General government				
Salaries and benefits	781,750	811,750	804,083	7,667
Contractual services	9,484,000	9,454,000	2,661,975	6,792,025
Operating expenditures	36,000	36,000	27,937	8,063
Intergovernmental expenditures	18,972,000	18,972,000	4,266,115	14,705,885
Caplital outlay	4,000,000	4,000,000	1,673,945	2,326,055
<b>Total general government expenditures</b>	<b>33,273,750</b>	<b>33,273,750</b>	<b>9,434,055</b>	<b>23,839,695</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(2,323,086)</b>	<b>(2,323,086)</b>	<b>(1,225,341)</b>	<b>1,097,745</b>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	42,045	42,045
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>42,045</b>	<b>42,045</b>
<b>Net change in fund balance</b>	<b>(2,323,086)</b>	<b>(2,323,086)</b>	<b>(1,183,296)</b>	<b>1,139,790</b>
<b>Fund balance at beginning of year</b>	<b>8,403,971</b>	<b>8,403,971</b>	<b>8,403,971</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 6,080,885</b>	<b>\$ 6,080,885</b>	<b>\$ 7,220,675</b>	<b>\$ 1,139,790</b>

See notes to required supplementary information.

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT**  
**FEDERAL SPECIAL REVENUE FUND**  
**BUDGET AND ACTUAL**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**For the Fiscal Year Ended September 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		Positive (Negative)
<b>Revenues</b>				
Intergovernmental revenue	\$ 3,918,000	\$ 3,918,000	\$ 1,444,085	\$ (2,473,915)
<b>Total revenues</b>	<b>3,918,000</b>	<b>3,918,000</b>	<b>1,444,085</b>	<b>(2,473,915)</b>
<b>Expenditures</b>				
General government				
Salaries and benefits	16,000	16,000	11,603	4,397
Contractual services	3,953,000	3,941,000	1,404,094	2,536,906
Operating expenditures	6,000	6,000	1,388	4,612
Intergovernmental expenditures	18,000	30,000	27,000	3,000
<b>Total general government expenditures</b>	<b>3,993,000</b>	<b>3,993,000</b>	<b>1,444,085</b>	<b>2,548,915</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(75,000)</b>	<b>(75,000)</b>	<b>-</b>	<b>75,000</b>
<b>Other financing sources (uses)</b>				
Transfers in	75,000	75,000	-	(75,000)
<b>Total other financing sources (uses)</b>	<b>75,000</b>	<b>75,000</b>	<b>-</b>	<b>(75,000)</b>
<b>Net change in fund balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See notes to required supplementary information.



**SUWANNEE RIVER WATER MANAGEMENT DISTRICT  
NOTE TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES- BUDGET  
AND ACTUAL- MAJOR GOVERNMENTAL FUNDS  
For the Fiscal Year Ended September 30, 2022**

**I. Stewardship, Compliance and Accountability:**

**A. Budgetary Information**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. All annual appropriations lapse at fiscal year end.

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

1. In accordance with *Florida Statutes*, prior to July 15, the budget manager shall submit to the Board a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted following preliminary examination and revision of the proposed operating budget by the Board.
3. After public hearings and necessary revisions have been completed, the budget is legally enacted through passage of an ordinance.
4. Revisions that alter the total expenditures of any fund must be approved by the Board. The Executive Director is authorized to approve line item budget transfers within a fund without approval of the Governing Board. The legal level of budgetary control is the fund level.
5. Formal budgetary integration is employed as a management control device during the year for all governmental fund types.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF SUWANNEE RIVER WATER MANAGEMENT DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PROGRAM**  
**LAST 10 FISCAL YEARS\***

	2022	2021	2020	2019	2018	2017	2016	2015	2014
City's proportion of the FRS net pension liability (asset)	0.011597006%	0.010742049%	0.010137885%	0.010515337%	0.010495420%	0.011136560%	0.011295417%	0.012782855%	0.012464973%
City's proportionate share of the FRS net pension liability (asset)	\$ 4,315,018	\$ 811,440	\$ 4,393,909	\$ 3,621,336	\$ 3,161,274	\$ 3,294,120	\$ 2,852,102	\$ 1,651,077	\$ 1,744,026
City's proportion of the HIS net pension liability (asset)	0.011810071%	0.011747994%	0.011761558%	0.011188140%	0.011137294%	0.011336563%	0.011222589%	0.012086449%	0.012115489%
City's proportionate share of the HIS net pension liability (asset)	1,250,875	1,441,068	1,436,067	1,329,411	1,203,725	1,212,158	1,307,946	1,232,628	1,232,628
City's proportionate share of the total net pension liability (asset)	\$ 5,565,893	\$ 2,252,508	\$ 5,829,976	\$ 4,950,747	\$ 4,364,999	\$ 4,506,278	\$ 4,160,048	\$ 2,883,705	\$ 2,976,654
City's covered-employee payroll	\$ 4,216,591	\$ 4,189,251	\$ 4,050,200	\$ 4,049,548	\$ 3,802,030	\$ 3,634,140	\$ 3,505,500	\$ 3,376,130	\$ 3,774,294
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	132.00%	53.77%	143.94%	122.25%	114.81%	124.00%	118.67%	85.41%	78.87%
Plan fiduciary net position as a percentage of the total pension liability	79.09%	91.09%	78.85%	82.61%	79.86%	79.30%	85.85%	92.00%	96.09%

Note 1) The amounts presented for each year were determined as of the June 30 year end of the Florida Retirement System

\*GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, only those years for which information is available is presented.

See notes to the required supplementary information.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF SUWANNEE RIVER WATER MANAGEMENT DISTRICT'S CONTRIBUTIONS**  
**FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PROGRAM**  
**LAST 10 FISCAL YEARS\***

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required FRS contribution	\$ 632,041	\$ 461,356	\$ 465,924	\$ 447,416	\$ 412,608	\$ 414,295	\$ 380,782	\$ 322,994	\$ 316,354
Contractually required HIS contribution	91,270	77,852	94,280	90,534	85,079	60,327	77,992	48,263	47,271
Total Contractually Required Contributions	<u>723,311</u>	<u>539,208</u>	<u>560,204</u>	<u>537,950</u>	<u>497,687</u>	<u>474,622</u>	<u>458,774</u>	<u>371,257</u>	<u>363,625</u>
Contributions in relation to the contractually required contribution	(723,311)	(539,208)	(560,204)	(537,950)	(497,687)	(474,622)	(458,774)	(371,257)	(363,625)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	\$ 4,216,591	\$ 4,189,251	\$ 4,050,200	\$ 4,049,548	\$ 3,802,030	\$ 3,634,140	\$ 3,505,500	\$ 3,376,130	\$ 3,774,294
Contributions as a percentage of covered-employee payroll	17.15%	12.87%	13.83%	13.28%	13.09%	13.06%	13.09%	11.00%	9.63%

\*GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, only those years for which information is available is presented.

See notes to the required supplementary information.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF SUWANNEE RIVER WATER MANAGEMENT DISTRICT'S CHANGES IN**  
**THE TOTAL OPEB LIABILITY**

Measurement Fiscal Year Ended September 30,	2021	2020	2019	2018	2017
<b>Total OPEB Liability</b>					
Service cost	\$ 31,335	\$ 28,618	\$ 9,310	\$ 9,440	\$ 9,711
Interest	9,305	10,068	4,049	3,933	3,922
Changes in benefit terms	-	-	-	-	-
Difference between expected and actual experience of Total OPEB Liability	(192,129)	-	149,893	-	-
Changes in assumptions and inputs	(59,654)	7,214	101,180	(1,770)	(2,174)
Benefit payments	(27,438)	(29,801)	(16,934)	(19,312)	(31,379)
Net changes	(238,581)	16,099	247,498	(7,709)	(19,920)
Total OPEB Liability - Beginning of Fiscal Year	368,476	352,377	104,879	112,588	132,508
Total OPEB Liability - Ending of Fiscal Year	<u>\$ 129,895</u>	<u>\$ 368,476</u>	<u>\$ 352,377</u>	<u>\$ 104,879</u>	<u>\$ 112,588</u>
Covered Employee Payroll	\$ 4,324,982	\$ 4,134,319	\$ 3,917,555	\$ 3,798,982	\$ 3,108,830
Total OPEB Liability as a percentage of Covered Employee Payroll	3.00%	8.91%	8.99%	2.76%	3.62%

GASB requires information for 10 years. Until a full ten-year trend has been compiled, only those years for which information is available has been presented. Only information for the current year is presented.

See notes to the required supplementary information.

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
THE SUWANNEE RIVER WATER MANAGEMENT DISTRICT'S PROPORTIONATE SHARE OF THE NET  
PENSION LIABILITY AND REQUIRED CONTRIBUTIONS  
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PROGRAM  
For the Fiscal Year Ended September 30, 2022**

**Net Pension Liability**

The components of the collective net pension liability of the participating employers for each defined benefit plan for the measurement date of September 30, 2022, are shown below (in thousands):

	FRS	HIS
Total pension liability	\$ 217,434,441,000	\$ 11,126,965,688
Plan fiduciary net position	\$ (180,226,404,807)	(535,368,479)
	\$ 37,208,036,193	\$ 10,591,597,209
 Plan fiduciary net position as a percentage of the total pension liability	 82.89%	 4.81%

The total pension liability for each plan was determined by the plans' actuary and reported in the plans' valuations dated June 30, 2022. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the plan. The fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements. Update procedures were not used.

The HIS actuarial valuation was prepared as of July 1, 2021, and update procedures were used to determine liabilities as of June 30, 2022. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the Plan. The fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements.

**Basis for Allocation**

The employer's proportionate share reported in the pension allocation schedules was calculated using accrued retirement contributions related to the reporting periods included in the System's fiscal years ending June 30, 2013 through 2022 respectively, for employers that were members of the FRS and HIS during those fiscal years. For fiscal years June 30, 2015 through June 30, 2022, in addition to contributions from employers the required accrued contributions for the Division (paid on behalf of the Division's employees who administer the Plans) were allocated to each employer on a proportionate basis. The Division administers the Plans, and therefore, cannot allocate a portion of the liability to itself. Although GASB 68 encourages the use of the employers' projected long-term contribution effort to the retirement plan, allocating on the basis of historical employer contributions is acceptable. The aggregate employer contribution amounts for each fiscal year agree to the employer contribution amounts reported in the system's ACFR for that fiscal year.

The proportion calculated based on contributions for each of the fiscal years presented in the pension allocation schedules was applied to the net pension liability and other pension amounts applicable for that fiscal year to determine each employer's proportionate share of the liability, deferred outflows of resources, deferred inflow of resources and associated pension expense.

For the purposes of the pension allocation schedules, pension amounts are allocated to reporting employers. The pension amounts of participating employers whose payrolls are reported and contributions are remitted by another entity are included in the reporting employer's amounts and will be allocated to the participating employer by the reporting employer.

### **Actuarial Methods and Assumptions**

The Florida Retirement System (FRS) Actuarial Assumption Conference is responsible for setting the assumptions used in the funding valuations of the defined benefit pension plan pursuant to section 216.136(10), Florida Statutes. The division determines the assumptions in the valuations for GASB 67 reporting purposes. The FRS Pension Plan's GASB 67 is performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2021 for the period July 1, 2013 through June 30, 2018. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increases for both Plans is assumed at 2.40%. Payroll growth, including inflation, for both Plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.70%. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.54 % was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both Plans were based on the Generational RP-2000 with Projection Scale BB tables (refer to the valuation reports for more information – see Note 5).

The following changes in actuarial assumptions occurred in 2022:

- FRS: The long-term expected rate of return was decreased from 6.80% to 6.70%.
- HIS: The demographic assumptions for the Special Risk class were updated to reflect plan changes due to HB5007, HB689, and SB838
- HIS: The election assumption for vested terminated members was updated from 20% to 50% to reflect recent experience.
- HIS: The municipal bond rate used to determine total pension liability was increased from 2.16% to 3.54%

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT  
OTHER POST-EMPLOYMENT BENEFITS (OPEB) RETIREMENT HEALTHCARE PLAN  
SEPTEMBER 30, 2022**

The District obtains an actuarial report every three years. The information presented in the required supplementary schedules was determined as part of the actuarial valuations at September 30, 2021 that were “rolled forward” to the September 30, 2021 measurement date, with results applicable to the fiscal year ended September 30, 2022. Information about the methods and assumptions used in the actuarial valuation follows:

Valuation Date:	September 30, 2021
Measurement Date:	September 30, 2021
Roll Forward Procedures:	The Total OPEB Liability was rolled forward twelve months from the Valuation Date to the Measurement Date using standard actuarial techniques.

**Methods and Assumptions Used to Determine Total OPEB Liability**

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	3.00%
Discount Rate	2.19%
Initial Trend Rate FY beginning 2022	6.00%
Trend Rate for FY beginning 2023	5.75%
Ultimate Trend Rate	3.75%
Retirement Age	Varies based on several factors including plan-specific retirement eligibility provisions and experience.

Mortality	RP-2000 Generational Combined Healthy Participant mortality tables, projected from the year 2000 using Projection Scale AA.
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Other information:	Changes in assumptions and other inputs include the change in the discount rate from 2.41% as of the beginning of the measurement period to 2.19% as of September 30, 2021. This change is reflected in the Schedule of Changes in Total OPEB Liability. There were no benefit changes during the year.
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As of September 30, 2021, the most recent actuarial valuation date, the Plan was unfunded. The actuarial accrued liability for benefits at September 30, 2022 was \$129,895, and the actuarial value of assets was \$0.

The following Schedule of Funding Progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

### SCHEDULE OF OPEB FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) - Entry Age Normal Cost (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL:as a % of Covered Payroll ((b-a)/c)
9-30-10	-	\$ 368,061	\$ 368,061	0.00%	\$ 3,923,952	9.00%
9-30-13	-	144,577	144,577	0.00%	3,440,300	4.00%
9-30-16	-	230,389	230,389	0.00%	3,286,394	7.00%
9-30-17	-	364,710	364,710	0.00%	3,689,893	7.00%
9-30-18	-	112,588	112,588	0.00%	3,108,830	3.62%
9-30-19	-	104,879	104,879	0.00%	3,798,982	2.76%
9-30-20	-	352,337	352,337	0.00%	3,917,555	8.99%
9-30-21	-	368,476	368,476	0.00%	4,134,319	8.91%
9-30-22	-	129,895	129,895	0.00%	4,324,982	3.00%

### SCHEDULE OF OPEB EMPLOYER CONTRIBUTIONS

Year Ended September 30	Annual OPEB Expense	% Contributed	Net OPEB Obligation
2015	\$ 4,929	0%	\$ 387,168
2016	(9,196)	0%	377,972
2017	(13,262)	0%	364,710
2018	(19,920)	0%	112,588
2019	(7,709)	0%	104,879
2020	247,498	0%	352,337
2021	16,099	0%	368,476
2022	(238,581)	0%	129,895



**SINGLE AUDIT SECTION**

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**For the Fiscal Year Ended September 30, 2022**

Program Titles & Grant Numbers	CFDA/CFSA	FAIN/ Award Number	WMD Contract #	Award/Contract Amount	Expenditures Recognized in Prior Years	Expenditures Recognized in Current Year	Transfers to Subrecipients or Contractors in Current Year
<b>Federal Awards</b>							
<i>U.S. Department of Agriculture</i>							
Natural Resource Conservation Service through Alachua Conservation Trust - Longleaf Pine Reforestation Habitat Restoration	10.902	2022-60023-05	21/22-094	16,000	-	16,000	16,000
Total U.S. Department of Agriculture				16,000	-	16,000	16,000
<i>U.S. Department of Interior</i>							
National Wildlife Refuge	15.658	F20AC00119	19/20-148	416,480	203,610	91,976	91,401
Natural Resource Conservation Service - Lower Suwannee River Watershed Nutrient Reduction Project	15.658	N1220CPT0011155	20/21-059	323,750	39,079	125,960	114,930
Total U.S. Department of Interior				740,230	242,689	217,935	206,332
<i>U.S. Environmental Protection Agency pass through from Florida Department of Environmental Protection</i>							
Nonpoint Source 319 Implementation Grant - Multi-Media Campaign for Springs and Resource Awareness in Suwannee Valley	66.460	C9-99451518-0 / NF049	18/19-174	300,000	148,161	151,839	151,839
Total U.S. Environmental Protection Agency pass through from Florida Department of Environmental Protection				300,000	148,161	151,839	151,839
<i>U.S. Department of Homeland Security - Federal Emergency Management Agency</i>							
Cooperating Technical Partners	97.045	EMW-2015-CA-0047	14/15-208	400,000	398,028	330	330
Cooperating Technical Partners	97.045	EMA-2016-CA-0009	15/16-061	1,088,000	797,359	32,410	32,410
Cooperating Technical Partners	97.045	EMA-2017-CA-00002	17/18-143	1,018,000	249,768	299,336	299,336
Cooperating Technical Partners	97.045	EMA-2018-CA-00006	17/18-257	1,718,594	694,224	372,669	371,842
Cooperating Technical Partners	97.045	EMA-2019-CA-00002	18/19-235	1,873,150	124,025	223,608	223,048
Cooperating Technical Partners	97.045	EMA-2020-CA-00003	19/20-225	2,136,750	8,223	145,958	145,958
Total U.S. Department of Homeland Security - Federal Emergency Management Agency				8,234,494	2,271,627	1,074,311	1,072,923
Total Federal Awards				9,290,724	2,662,476	1,460,086	1,447,094

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (Continued)**  
**For the Fiscal Year Ended September 30, 2022**

Program Titles & Grant Numbers	CFDA/CFSA	FAIN/ Award Number	WMD Contract #	Award/Contract Amount	Expenditures Recognized in Prior Years	Expenditures Recognized in Current Year	Transfers to Subrecipients or Contractors in Current Year
<b>State Financial Assistance</b>							
<i>Florida Department of Environmental Protection from Appropriations</i>							
General Revenue Fund - Environmental Resource Permitting	37.029	WP007	21/22-070	453,000	-	453,000	-
General Revenue Fund - Operations	37.037	WP007	21/22-070	2,287,000	-	2,287,000	-
Internal Improvement Trust Fund - Payments in Lieu of Taxes	37.022	WP007	21/22-070	352,909	-	352,909	-
Land Acquisition Trust Fund - Land Management	37.022	WP007	21/22-070	1,777,210	-	1,777,210	-
Land Acquisition Trust Fund - Minimum Flows and Minimum Water Levels	37.022	WP007	21/22-070	1,635,000	-	1,542,931	-
Land Acquisition Trust Fund - Minimum Flows and Minimum Water Levels	37.022	WP013	22/23-021	1,635,000	-	398,836	-
Land Acquisition Trust Fund - Minimum Flows and Minimum Water Levels FY20	37.022	N/A	N/A	1,635,000	842,636	7,228	-
Water Management Land Trust Fund	37.037	N/A	N/A	1,744,856	1,581,720	-	-
Water Protection and Sustainability Program - FY20 Alternative Water Supply	37.085	N/A	N/A	100,000	-	100,000	100,000
<b>Total Florida Department of Environmental Protection from Appropriations</b>				<b>11,619,975</b>	<b>2,424,356</b>	<b>6,919,114</b>	<b>100,000</b>
<i>Florida Department of Environmental Protection from Springs Initiative Grant Program</i>							
Agricultural Springs Pilot Program - Low Input Agriculture and Land Conservation	37.052	LP61038	17/18-190	5,000,000	1,189,739	145,394	145,394
Dairy Wastewater System Improvement	37.052	LP6103C	16/17-119	1,500,000	874,747	-	-
Agricultural Springs Pilot Program - Advanced Water Quality Improvement Technologies	37.052	LP6103D	16/17-149	1,000,000	190,273	-	-
Accelerating Suwannee River Restoration and Silviculture Management	37.052	LP6103G	19/20-177	1,878,736	-	1,118	1,118
Precision Agricultural Practices	37.052	LP6103K	17/18-030	5,000,000	1,018,797	329,835	329,835
Suwannee and Santa Fe River Basins Land Acquisition - Mill Creek Sink - Phase II	37.052	LP6103L	17/18-041	3,500,000	1,977,021	868,877	868,877
Upper Suwannee River Regional Aquifer Recharge	37.052	LP6103M	17/18-226	2,500,000	239,512	-	-
Bradford Co. Silviculture Enhancement and Recharge	37.052	LPS0016	19/20-202	2,000,000	100,313	89,379	89,379
Dixie Co. Multiple Basin Aquifer Recharge	37.052	LPS0024	19/20-176	5,792,213	622,867	257,268	257,268
Otter Springs Onsite Sewage Treatment Disposal System Improvements	37.052	LPS0037	19/20-116	1,850,000	89,425	805,812	805,812
High Springs Gravity Sewer Extension - Phase A2	37.052	LPS0038	19/20-108	1,000,000	954,342	-	-
Santa Fe Springs Land Acquisition Project	37.052	LPS0045	20/21-101	617,000	-	617,000	617,000
Telford Springs Land Acquisition	37.052	LPS0068	21/22-114	879,625	-	879,625	-
Ichetucknee Springs and Middle Suwannee/Mallory Swamp	37.052	S0675	13/14-022	5,448,000	5,230,901	128,488	128,488
Agricultural Springs Protection Projects	37.052	S0796	14/15-111	3,660,000	2,385,148	136,739	136,739
Improved Nutrient Application Practices in Dairy Operations	37.052	S0905	15/16-057	2,120,000	1,511,424	217,410	217,410
<b>Total Florida Department of Environmental Protection from Springs Initiative Grant Program</b>				<b>43,745,574</b>	<b>16,384,510</b>	<b>4,476,945</b>	<b>3,597,320</b>
<i>Florida Department of Environmental Protection from Alternative Water Supply</i>							
Pivot Retrofits	37.100	WS002	19/20-052	1,200,400	208,160	118,504	118,504
Public Supply Efficiency Improvements	37.100	WS003	19/20-053	1,000,000	283,535	182,514	182,514
Groundwater Recharge Wetlands	37.100	WS004	19/20-054	1,500,000	976,808	-	-
Lake Butler Wastewater Treatment Facility - Phase I & II	37.100	WS005	19/20-055	3,400,000	353,000	1,005,215	1,005,215
AWS Feasibility Studies	37.100	WS044	21/22-059	700,000	-	255,900	255,900
Water Protection and Sustainability Program	37.100	WS045	20/21-073	180,000	-	14,868	-
Hampton Water Main Loop - Phase #2	37.100	WS056	21/22-169	263,800	-	18,000	18,000
<b>Total Florida Department of Environmental Protection from Alternative Water Supply</b>				<b>8,244,200</b>	<b>1,821,504</b>	<b>1,595,001</b>	<b>1,580,133</b>
(continued)							

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (Continued)**  
**For the Fiscal Year Ended September 30, 2022**

Program Titles & Grant Numbers	CFDA/CFSA	FAIN/ Award Number	WMD Contract #	Award/Contract Amount	Expenditures Recognized in Prior Years	Expenditures Recognized in Current Year	Transfers to Subrecipients or Contractors in Current Year
<i>Florida Department of Environmental Protection from Office of Water Policy and Ecosystem Restoration - Water Quality Enhancement and Accountability</i>							
Expanded and Enhanced Water Quality Monitoring	37.105	AT002	19/20-170	1,700,000	1,045,324	231,668	231,668
Total Florida Department of Environmental Protection from Office of Water Policy and Ecosystem Restoration - Water Quality Enhancement and Accountability				1,700,000	1,045,324	231,668	231,668
Total Florida Department of Environmental Protection				65,309,749	21,675,694	13,222,727	5,509,120
<i>Florida Department of Transportation</i>							
Mitigation						25,166	
Mitigation Water Management Districts - Starke Bypass	55.031	N/A		4,065,292	3,949,828	40,585	40,585
Total Florida Department of Transportation				4,065,292	3,949,828	65,751	40,585
Total State Financial Assistance				69,375,041	25,625,522	13,288,478	5,549,705
Total Federal and State Financial Assistance				78,665,765	28,287,998	14,748,564	6,996,798

See notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance.

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT**  
**NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**For the Fiscal Year Ended September 30, 2022**

**I. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance includes the federal and state award activity of Suwannee River Water Management District, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, Rules of the State of Florida, Office of the Auditor General. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

**2. Indirect Cost Rate**

The District did not elect to use the 10% de minimis cost rate.

**3. Summary of Significant Account Policies**

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

**OTHER SUPPLEMENTAL INFORMATION**

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT  
DISTRICT SPECIAL REVENUE FUND  
COMBINING BALANCE SHEET – SUB FUNDS  
September 30, 2022**

	Project Effectiveness Metrics	Agricultural Cost-Share	Water Resource Development Projects	River Cost- Share	Total District Special Revenue Fund
<b>Assets</b>					
Intergovernmental receivables	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	442,494	1,323,504	3,766,391	1,799,429	7,331,818
<b>Total assets</b>	<b>\$ 442,494</b>	<b>\$ 1,323,504</b>	<b>\$ 3,766,391</b>	<b>\$ 1,799,429</b>	<b>\$ 7,331,818</b>
<b>Liabilities</b>					
Accounts payable	\$ 15,900	\$ 27,297	\$ -	\$ 22,290	\$ 65,487
<b>Total liabilities</b>	<b>15,900</b>	<b>27,297</b>	<b>-</b>	<b>22,290</b>	<b>65,487</b>
<b>Fund balances</b>					
Committed	426,594	1,296,207	3,766,391	1,777,139	7,266,331
<b>Total fund balances</b>	<b>426,594</b>	<b>1,296,207</b>	<b>3,766,391</b>	<b>1,777,139</b>	<b>7,266,331</b>
<b>Total liabilities and fund balance</b>	<b>\$ 442,494</b>	<b>\$ 1,323,504</b>	<b>\$ 3,766,391</b>	<b>\$ 1,799,429</b>	<b>\$ 7,331,818</b>

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT  
STATE SPECIAL REVENUE FUND  
COMBINING BALANCE SHEET – SUB FUNDS  
September 30, 2022**

	Alternative Water Supply & WPSP Grants	Middle Suwannee / Mallory Swamp Springs Grants	Water Management Lands Trust Fund - Springs	Florida Forever & Preservation 2000	DOT - Environmental Transportation Decision Making	DOT - Mitigation	Minimum Flows and Minimum Water Levels	Suwannee River Partnership	Other State Grants	Land Acquisitions - PCS Mitigation	Total State Special Revenue Fund	
<b>Assets</b>												
Intergovernmental receivables	\$ 175,441	\$ -	\$ 707,519	\$ -	\$ -	\$ -	\$ 398,836	\$ -	\$ -	\$ -	\$ 1,281,796	
Due from other funds	1,966,592	88,843	-	166,526	-	39,609	673,139	500,731	516,436	-	6,570,103	
<b>Total assets</b>	<b>\$ 2,142,033</b>	<b>\$ 88,843</b>	<b>\$ 707,519</b>	<b>\$ 166,526</b>	<b>\$ -</b>	<b>\$ 39,609</b>	<b>\$ 673,139</b>	<b>\$ 899,567</b>	<b>\$ 516,436</b>	<b>\$ -</b>	<b>\$ 6,570,103</b>	<b>\$ 11,803,775</b>
<b>Liabilities</b>												
Accounts payable	\$ 90,841	\$ -	\$ 582,329	\$ -	\$ -	\$ -	\$ 115,405	\$ 52,856	\$ -	\$ 448,876	\$ 1,290,307	
Interest payable	-	231	-	-	-	-	-	-	-	-	231	
Unearned revenue	2,051,192	88,612	-	166,526	-	-	76,880	784,162	-	-	3,167,372	
Due to other funds			125,190								125,190	
<b>Total liabilities</b>	<b>2,142,033</b>	<b>88,843</b>	<b>707,519</b>	<b>166,526</b>	<b>-</b>	<b>-</b>	<b>76,880</b>	<b>899,567</b>	<b>52,856</b>	<b>-</b>	<b>448,876</b>	<b>4,583,100</b>
<b>Fund balances</b>												
Restricted	-	-	-	-	-	39,609	596,259	-	463,580	-	6,121,227	7,220,675
<b>Total fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39,609</b>	<b>596,259</b>	<b>-</b>	<b>463,580</b>	<b>-</b>	<b>6,121,227</b>	<b>7,220,675</b>
<b>Total liabilities and fund balance</b>	<b>\$ 2,142,033</b>	<b>\$ 88,843</b>	<b>\$ 707,519</b>	<b>\$ 166,526</b>	<b>\$ -</b>	<b>\$ 39,609</b>	<b>\$ 673,139</b>	<b>\$ 899,567</b>	<b>\$ 516,436</b>	<b>\$ -</b>	<b>\$ 6,570,103</b>	<b>\$ 11,803,775</b>



**SUWANNEE RIVER WATER MANAGEMENT DISTRICT  
FEDERAL SPECIAL REVENUE FUND  
COMBINING BALANCE SHEET – SUB FUNDS  
September 30, 2022**

	FEMA Risk Mapping Grants	Other Federal Grants	Total Federal Special Revenue Fund
<b>Assets</b>			
Intergovernmental receivables	\$ 152,617	\$ 40,823	\$ 193,440
Due from other funds	-	-	-
<b>Total assets</b>	<b>\$ 152,617</b>	<b>\$ 40,823</b>	<b>\$ 193,440</b>
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 20,615	\$ 20,615
Interest payable	-	-	-
Unearned revenue	-	-	-
Due to other funds	152,617	20,208	172,825
<b>Total liabilities</b>	<b>152,617</b>	<b>40,823</b>	<b>193,440</b>
<b>Fund balances</b>			
Total fund balances	-	-	-
<b>Total liabilities and fund balance</b>	<b>\$ 152,617</b>	<b>\$ 40,823</b>	<b>\$ 193,440</b>

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT  
DISTRICT SPECIAL REVENUE FUND  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
For the Fiscal Year Ended September 30, 2022**

	Project Effectivness Metrics	Agricultural Cost- Sharing	Water Resource Development Projects	RIVER Cost-Share	Total District Special Revenue Fund
<b>Revenues</b>					
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for service	-	-	-	-	-
Interest income	-	-	-	-	-
Other income	-	-	34,435	-	34,435
Increase/(decrease) in fair value of investment	-	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>34,435</b>	<b>-</b>	<b>34,435</b>
<b>Expenditures</b>					
General government					
Water resource planning and monitoring	59,400	-	-	-	59,400
Acquisition, restoration and public works	-	1,581,843	-	608,563	2,190,406
Operation, maintenance of lands and works	-	-	-	-	-
Capital outlay	-	-	-	-	-
<b>Total general government expenditures</b>	<b>59,400</b>	<b>1,581,843</b>	<b>-</b>	<b>608,563</b>	<b>2,249,806</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(59,400)</b>	<b>(1,581,843)</b>	<b>34,435</b>	<b>(608,563)</b>	<b>(2,215,371)</b>
<b>Other financing sources (uses)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>(59,400)</b>	<b>(1,581,843)</b>	<b>34,435</b>	<b>(608,563)</b>	<b>(2,215,371)</b>
<b>Fund balances at beginning of year</b>	<b>485,994</b>	<b>2,878,050</b>	<b>3,731,956</b>	<b>2,385,702</b>	<b>9,481,702</b>
<b>Fund balances at end of year</b>	<b>426,594</b>	<b>1,296,207</b>	<b>3,766,391</b>	<b>1,777,139</b>	<b>7,266,331</b>

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT**  
**STATE SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**For the Fiscal Year Ended September 30, 2022**

	Alternative Water Supply & WSPSP Grants	Middle Suwannee / Mallory Swamp Springs Grants	Water Management Lands Trust Fund - Springs	Florida Forever & Preservation 2000	DOT - Environmental Transportation Decision Making	DOT - Mitigation	Minimum Flows and Minimum Water Levels	Suwannee River Partnership	Other State Grants	Land Acquisitions - PCS Mitigation	Total State Special Revenue Fund
<b>Revenues</b>											
Intergovernmental revenue	\$ 1,695,001	\$ 128,488	\$ 4,348,457	\$ -	\$ -	\$ 65,752	\$ 1,948,995	\$ -	\$ 231,668	\$ -	\$ 8,418,361
Other income	-	-	-	-	-	350,262	-	-	-	-	350,262
Interest income	18,390	-	-	1,304	428	316	-	4,739	-	53,571	82,659
Increase/(decrease) in fair value of investment	(115,068)	-	-	(10,881)	-	(2,624)	-	(34,208)	-	(435,199)	(642,568)
<b>Total revenues</b>	<b>1,598,323</b>	<b>128,488</b>	<b>4,348,457</b>	<b>(9,577)</b>	<b>428</b>	<b>(2,308)</b>	<b>1,948,995</b>	<b>(29,469)</b>	<b>231,668</b>	<b>(381,628)</b>	<b>8,208,714</b>
<b>Expenditures</b>											
General government											
Water resource planning and monitoring	-	-	-	-	-	-	1,948,995	-	231,668	-	2,180,663
Acquisition, restoration and public works	1,695,001	128,488	3,468,832	-	-	84,289	-	189,188	-	13,649	5,579,447
Capital outlay	-	-	879,625	-	66,779	-	-	-	-	727,541	1,673,945
<b>Total general government expenditures</b>	<b>1,695,001</b>	<b>128,488</b>	<b>4,348,457</b>	<b>-</b>	<b>66,779</b>	<b>84,289</b>	<b>1,948,995</b>	<b>189,188</b>	<b>231,668</b>	<b>741,190</b>	<b>9,434,055</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(96,678)</b>	<b>-</b>	<b>-</b>	<b>(9,577)</b>	<b>(66,351)</b>	<b>(2,308)</b>	<b>291,048</b>	<b>-</b>	<b>(218,657)</b>	<b>-</b>	<b>(1,225,341)</b>
<b>Other financing sources (uses)</b>											
Transfers in	39,780	-	-	2,265	-	-	-	-	-	-	42,045
<b>Total other financing sources (uses)</b>	<b>39,780</b>	<b>-</b>	<b>-</b>	<b>2,265</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42,045</b>
Net change in fund balance	(56,898)	-	-	(7,312)	(66,351)	(2,308)	291,048	-	(218,657)	-	(1,183,296)
<b>Fund balances at beginning of year</b>	<b>56,898</b>	<b>-</b>	<b>-</b>	<b>7,312</b>	<b>66,351</b>	<b>41,917</b>	<b>305,211</b>	<b>-</b>	<b>682,237</b>	<b>-</b>	<b>8,403,971</b>
<b>Fund balances at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 39,609</b>	<b>\$ 596,259</b>	<b>\$ -</b>	<b>\$ 463,580</b>	<b>\$ -</b>	<b>\$ 6,121,227</b>
											<b>\$ 7,220,675</b>

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT**  
**FEDERAL SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**For the Fiscal Year Ended September 30, 2022**

	FEMA Risk Mapping Grants	Other Federal Grants	Total Federal Special Revenue Fund
<b>Revenues</b>			
Intergovernmental revenue	1,074,311	369,774	1,444,085
<b>Total revenues</b>	<b>1,074,311</b>	<b>369,774</b>	<b>1,444,085</b>
<b>Expenditures</b>			
General government			
Water resource planning and monitoring	1,074,311	125,960	1,200,271
Acquisition, restoration and public works	-	243,814	243,814
<b>Total general government expenditures</b>	<b>1,074,311</b>	<b>369,774</b>	<b>1,444,085</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances at beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances at end of year</b>	<b>-</b>	<b>-</b>	<b>-</b>

## **ADDITIONAL REPORTS**

**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**

March 20, 2023

To the Honorable Board of Governors  
of the Suwannee River Water Management District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of the Suwannee River Water Management District (the “District”) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements and have issued our report thereon dated March 20, 2023.

**Internal Control Over Financial Reporting**

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

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

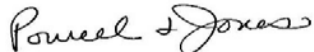
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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



**Powell & Jones CPA**  
Lake City, Florida  
March 20, 2023

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE *UNIFORM GUIDANCE***

March 20, 2023

To the Honorable Board of Governors  
of the Suwannee River Water Management District:

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Suwannee River Water Management District’s (the “District”) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the District’s major federal programs for the year ended September 30, 2022. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with the 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District’s compliance with the compliance requirements referred to above.

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District’s federal programs.



### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

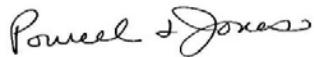
### ***Report on Internal Control over Compliance***

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Powell & Jones".

**Powell & Jones CPA**  
Lake City, Florida  
March 20, 2023

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH CHAPTER 10.550, RULES OF THE AUDITOR GENERAL, OFFICE OF THE AUDITOR GENERAL**

March 20, 2023

To the Honorable Board of Governors  
of the Suwannee River Water Management District:

**Report on Compliance for Each Major State Project**

***Opinion on Each Major State Project***

We have audited Suwannee River Water Management District's (the "District") compliance with the types of compliance requirements in the State of Florida, Department of Financial Services State Projects Compliance and Supplement that could have a direct and material effect on each of the District's major state projects for the year ended September 30, 2022. The District's major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended September 30, 2022.

***Basis for Opinion on Each Major State Project***

We conducted our audit of compliance in accordance with the 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 State of Florida, Office of the Auditor General. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major state project. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state projects.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's state projects.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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 the 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 State of Florida, Office of the Auditor General will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major state project as a whole.

In performing an audit in accordance with the 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 State of Florida, Office of the Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

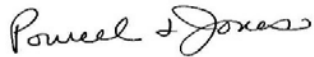
### ***Report on Internal Control over Compliance***

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state project will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Pursuant to Chapter 119, *Florida Statutes*, this report is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this report is intended solely for the information and use of the District's management, State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Powell & Jones".

**Powell & Jones CPA**  
Lake City, Florida  
March 20, 2023

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT  
SCHEDULE OF FINDINGS  
For the Fiscal Year Ended September 30, 2022**

**Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
• Material weakness identified?	No
• Reportable condition identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements	No

**Federal Awards**

Internal control over major programs:	
• Material weaknesses identified?	No
• Reportable condition identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2CFR200.516(a)	No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Programs</u>
97.045	U.S. Department of Homeland Security Cooperating Technical Partners

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

**Financial Statement Findings**

None

**Federal Award Findings and Questioned Costs**

None

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT  
SCHEDULE OF FINDINGS  
For the Fiscal Year Ended September 30, 2022**

**State Financial Assistance**

Internal control over major projects:

- Material weakness identified? No
- Reportable condition identified not considered to be material weaknesses? None reported

Type of auditor's report issued on compliance for major projects: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Rule 10.656, *Rules of the Auditor General*? No

<u>CSFA Number</u>	<u>Name of State Programs</u>
37.022	Florida Department of Environmental Protection Water Management Districts - Land Acquisition and Improvement
37.052	Florida Springs Initiative Grant Program

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

**Financial Statement Findings**

None

**State Financial Assistance Findings and Questioned Costs**

None

## MANAGEMENT LETTER

To the Honorable Board of Governors  
of the Suwannee River Water Management District:

### Report on the Financial Statements

We have audited the financial statements of the Suwannee River Water Management District (the "District"), for the year ended September 30, 2022, and have issued our report thereon dated March 20, 2023

### Auditor's Responsibility

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to the financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); 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 Financial Statements Performed in Accordance with Government Auditing Standards; Independent Auditor's Reports on Compliance for Each Major Federal Program and State Project and Report on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; 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 and schedule, which are dated March 20, 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. There were no findings or recommendations made in the preceding annual financial report.



## **AUDITOR GENERAL COMPLIANCE MATTERS**

**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 has been disclosed in the Note 1 of the 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 District met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the 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 the representations made by management and review of financial information provided by the same.

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

**Special District Component Units** – Section 10554(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 for 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 218.39(3)(b), Florida Statutes.

**Special District 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 District reported:

**Specific Information** – As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the District reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as 64.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year as 56.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$4,355,123.

- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as 8,816,098.
- e. No construction projects with a total cost of at least \$65,000 approved by the district that have been scheduled to begin on or after October 1 of the fiscal year being reported.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as follows: The District's original budgeted expenditures totaled \$59,642,373 and was not amended in the period under audit.

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

- a. The millage rate imposed by the District as 0.3615
- b. The total amount of ad valorem taxes collected by the district as \$6,464,859
- c. The total amount of outstanding bonds issued by the District and the terms of such bonds as \$0

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

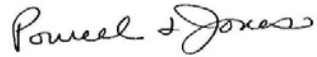
Transparency – Sections 10.554(1)(i)9.b. and 10.556(9), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the District provided a link on its website to the Florida Department of Financial Services's website to view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

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

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

**Purpose of This Letter**

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

A handwritten signature in cursive script that reads "Powell & Jones".

**Powell & Jones CPA**  
Lake City, Florida  
March 20, 2023

## INDEPENDENT ACCOUNTANT'S REPORT

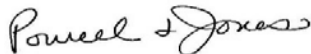
To the Honorable Board of Governors  
of the Suwannee River Water Management District:

We have examined Suwannee River Water Management District's compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2022. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary 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 District's compliance with specified requirements.

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

This report is intended solely for the information and use of the District and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.



**Powell & Jones CPA**  
Lake City, Florida  
March 20, 2023

## **Communication with Those Charged with Governance**

To the Honorable Board of Governors;  
Suwannee River Water Management District

We have audited the financial statements of Suwannee River Water Management District (the "District") for the year ended September 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus.

All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There are no sensitive estimates affecting the District's financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There are no sensitive disclosures affecting the financial statements.

#### ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no such misstatements identified during our audit.

#### ***Disagreements with Management***

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

**Management Representations**

We have requested certain representations from management that are included in the management representation letter dated March 20, 2023.

**Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the governmental unit’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

**Other Audit Findings or Issues**

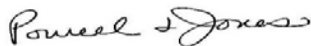
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**Other Information in Documents Containing Audited Financial Statements**

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Governors and management of the District and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



**Powell & Jones CPA**  
Lake City, Florida  
March 20, 2023

SUWANNEE RIVER WATER MANAGEMENT DISTRICT

**MEMORANDUM**

TO: Audit Committee

FROM: Pam Shaw, Chief, Office of Finance

THRU: Tim Alexander, Deputy Executive Director, Business and Community Services

DATE: March 22, 2023

RE: Inspector General Audit Report Number 23-01, Employee Remote Work Arrangements

**RECOMMENDATION**

Acceptance of the Inspector General Audit Report Number 23-01, Employee Remote Work Arrangements, from Law, Redd, Crona & Munroe, P.A.

**BACKGROUND**

The Inspector General conducted internal audit procedures to review the District's procedures and internal control over the employee remote work processes. The scope of this audit included:

- Reviewing the District's procedures for remote work;
- Interviewing District management, supervisors, and employees relating to approved remote work agreements;
- Reviewing approved employee remote work plans and agreements;
- Reviewing selected District performance measures reported to the Florida Department of Environmental Protection;
- Reviewing District documentation of selected cybersecurity controls over employee remote access to the District's network.

The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing and generally accepted *Government Auditing Standards*.

The Inspector General's report contains no findings.

PS/rl  
Attachment

**SUWANNEE RIVER  
WATER MANAGEMENT DISTRICT**

**REPORT ON INTERNAL AUDIT OF  
EMPLOYEE REMOTE WORK ARRANGEMENTS**

**REPORT #23-01**

**March 23, 2023**



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**Law, Redd, Crona & Munroe, P.A.**  
*Certified Public Accountants*

Governing Board  
Suwannee River Water Management District  
9225 CR 49  
Live Oak, Florida 32060

We have performed internal audit procedures at the Suwannee River Water Management District (District) to review the District's procedures and controls over employee remote work arrangements.

This audit was performed in accordance with the *International Standards for the Professional Practice of Internal Auditing*. Those standards require we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The objectives of our audit were to evaluate District procedures and controls over employee remote work arrangements. The accompanying report presents our analysis and is organized as follows:

- Background
- Objectives, Scope, and Methodology
- Summary of Results

The procedures we performed were accomplished by:

- Reviewing the District's procedures for remote work;
- Interviewing District management, supervisors, and employees relating to approved remote work agreements;
- Reviewing approved employee remote work plans and agreements;
- Reviewing selected District performance measures reported to the Florida Department of Environmental Protection;
- Reviewing District documentation of selected cybersecurity controls over employee remote access to the District's network.

This report is intended solely for the information and use of the Governing Board and District management and is not intended to be used by anyone other than these specified parties.

*Law Redd Crona & Munroe P.A.*

**LAW, REDD, CRONA & MUNROE, P.A.**  
Tallahassee, Florida  
March 23, 2023

***SUWANNEE RIVER WATER MANAGEMENT DISTRICT***  
***EMPLOYEE REMOTE WORK ARRANGEMENTS***  
**March 23,2023**

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**BACKGROUND**

In today's tight labor market, recruiting and retention of employees, especially those with specialized skills, can be a challenge for organizations. During the outbreak of COVID-19 and the restrictions on human contact for the safety of employees and the general public, many organizations, including state and local government entities, established remote work arrangements for their employees on a large scale. Resources such as remote access software and video conferencing tools were put into place to allow employees to accomplish their job duties working away from the office. As the COVID-19 threat waned, employers found that some workers preferred to continue working remotely. Consequently, to help attract and retain staff, many employers have chosen to continue allowing employees to work remotely.

Before COVID-19, remote work at the Suwannee River Water Management District (District) was limited to one employee whose ability to work remotely was a condition of their employment. Remote work was arranged for most District employees during COVID-19 protocols and continues to be allowed by the District for employees meeting approval criteria set forth in District policy. At the time of our audit, 18 District employees were approved to work remotely.

The District's Employee Procedures Manual governs the processes to be followed for providing a framework for remote work. Key aspects include the following:

- Employees applying for remote work arrangements will be assessed by their supervisors regarding their readiness and ability to maintain productivity in a remote work setting.
- Remote work agreements must be approved by the Executive Director or his designee.
- Remote work schedules are limited to three days per week for employees working a standard five-day, eight-hour schedule or two days per week for employees working four-day, 10-hour schedules.
- Employee supervisors are charged with developing a system for monitoring employees in approved remote work agreements.
- The District has the authority to enter the remote work location either physically or virtually to conduct worksite safety inspections or other investigations.

## ***EMPLOYEE REMOTE WORK ARRANGEMENTS***

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- The employee remote work agreements are evaluated, at a minimum, on an annual basis.
- All employees having an approved remote work arrangement must be available and reachable by the District by phone, e-mail, or text message.
- Employees working remotely are expected to ensure the protection of District information accessible from their home office or alternate work location.
- Employees are responsible for assuring the workspace within the remote office environment is adequate, safe, and free from distractions or recognized hazards that would likely result in accident, injury, damage to property, or loss of work productivity.
- If an employee creates a work-related document on his/her personal computer or sends a work-related e-mail from his/her personal device, it is a public record and must be retained as a public record.

Employees applying for permission to work remotely are required to complete a Remote Work Employee Packet that includes a self-assessment of their capability to work remotely, a safety assessment of their remote work site, and a remote work agreement and workplan. The agreement and work plan are to be signed by the employee, supervisor, Division Director or Deputy Executive Director, and Executive Director.

### **OBJECTIVES, SCOPE, AND METHODOLOGY**

The objective of this audit was to evaluate selected District procedures and controls over employee remote work arrangements. The scope of this audit included District employee remote work arrangements in place as of February 2023.

To achieve our audit objectives, we conducted the following procedures:

- 1) Interviewed District management, supervisors, and employees relating to remote work agreements in place and interviewed other District management as needed.
- 2) Reviewed the District's Employee Procedures Manual, Section 10.3, *Remote Work*, and other sections as applicable.

## ***EMPLOYEE REMOTE WORK ARRANGEMENTS***

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- 3) Performed a walkthrough of the District's processes for reviewing and approving applications for remote work agreements and for monitoring the productivity of employees with approved remote work agreements. As a part of the walkthrough, we reviewed the performance evaluations of two employees to understand how remote work arrangements are evaluated.
- 4) Reviewed the Remote Work Employee Packets of all 18 District employees with remote work agreements in place as of February 8, 2023.
- 5) Reviewed selected District performance measures reported to the Florida Department of Environmental Protection (DEP) for the 2021-22, 2020-21, and 2019-20 fiscal years for indications of changes in District productivity that could be attributed to remote work arrangements.
- 6) Inspected screen shots of selected aspects of the District's virtual private network (VPN) configuration, including two-factor authentication of remote users and encryption of remote access sessions.
- 7) Reviewed the District's information technology (IT) disaster recovery plan to ascertain if the plan addresses the recovery of employees' remote access capability should an event occur that interrupts IT availability.

### **SUMMARY OF RESULTS**

We concluded the District's Remote Work procedures, including the Remote Work Employee Packet, provide a documented, structured process for requesting, approving, and monitoring employee remote work arrangements. As described in the Background section, the procedures address requirements for employee safety, information security, and compliance with public records laws.

Technology is in place to allow employees to remotely access the District's network in a secure manner. In addition, productivity tools such as video conferencing, e-mail, and calendaring have been deployed to assist employees in working efficiently and to assist supervisors in monitoring employee productivity.

We reviewed selected District performance measures reported to DEP for the above noted periods as well as the District's explanations to DEP for variances in performance. Our review showed the District did not attribute any of the performance measure variances to remote work arrangements. In further follow-up interviews, the supervisors stated they observed benefits of remote work arrangements, including staff retention, and they had not observed any reduction in employee productivity as a result of remote work arrangements.

***EMPLOYEE REMOTE WORK ARRANGEMENTS***

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We wish to take this opportunity to thank District staff for their assistance and cooperation in the conduct of our audit. If there are any questions regarding this report, please feel free to contact Richard Law, C.P.A., or Jon Ingram, C.P.A.

*Law Redd Crona & Munroe P.A.*

**LAW, REDD, CRONA & MUNROE, P.A.**

SUWANNEE RIVER WATER MANAGEMENT DISTRICT

**MEMORANDUM**

TO: Audit Committee

FROM: Pam Shaw, Chief, Office of Finance

THRU: Tim Alexander, Deputy Executive Director, Business and Community Services

DATE: March 22, 2023

RE: Inspector General Audit Report Number 23-02, Follow-Up Report on District Corrective Action Regarding Auditor General Audit Report Number 2023-047

**RECOMMENDATION**

Acceptance of the Inspector General Audit Report Number 23-02, Follow-up Report on District Corrective Action regarding Auditor General Audit Report Number 2023-047, from Law, Redd, Crona & Munroe, P.A.

**BACKGROUND**

Pursuant to Section 20.055(6)(h), Florida Statutes, the District's Inspector General is required to report on the status of the corrective actions taken by the District on the finding and recommendation in the Auditor General's Operational Audit Report No. 2023-047, dated November 2022. The scope of this follow-up audit included:

- Examining the Auditor General Report No. 2023-047, dated November 2022, to ascertain the finding, recommendation, and original District management responses;
- Inquiring of and obtaining representations from District management regarding the current status of corrective actions taken to address the Auditor General's finding and recommendation; and
- Examining District policies, the most recent Governing Board directive for the Agricultural Cost-Share Program, selected documentation from District files for all Agricultural Cost-Share agreements entered into by the District since October 1, 2022, and other documentation relating to management corrective actions.

The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing and generally accepted *Government Auditing Standards*.

The Inspector General's report concludes that District management has corrected the finding and recommendation in the Auditor General's report.

PS/rl  
Attachment

**SUWANNEE RIVER  
WATER MANAGEMENT DISTRICT**

**FOLLOW-UP REPORT ON  
DISTRICT CORRECTIVE ACTIONS  
REGARDING  
AUDITOR GENERAL AUDIT REPORT NO. 2023-047**

**REPORT #23-02**

**March 23, 2023**



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**Law, Redd, Crona & Munroe, P.A.**  
*Certified Public Accountants*

March 23, 2023

Governing Board  
Suwannee River Water Management District  
9225 CR 49  
Live Oak, Florida 32060

Pursuant to Section 20.055(6)(h), Florida Statutes, as the District's Inspector General we are reporting on the status of the Suwannee River Water Management District corrective actions taken on the finding and recommendation in the Auditor General's Operational Audit Report No. 2023-047, dated November 2022. A copy of this report will also be filed with the Joint Legislative Auditing Committee.

If you have any questions regarding this report, please contact Richard Law, C.P.A. or Jon Ingram, C.P.A.

Sincerely,

*Law Redd Crona & Munroe P.A.*

**LAW, REDD, CRONA & MUNROE, P.A.**

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT**  
**FOLLOW-UP ON AG REPORT NO. 2023-047**  
**March 23, 2023**

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**BACKGROUND**

In November 2022, the Auditor General released Audit Report No. 2023-047, Operational Audit of the Suwannee River Water Management District (District). This report focused on selected District processes and administrative activities and contained one finding and recommendation for improvement.

Pursuant to Section 20.055(6)(h), Florida Statutes, the District's Inspector General is required to report to the Governing Board on the status of corrective actions taken on the Auditor General's report.

**OBJECTIVES, SCOPE, AND METHODOLOGY**

The objective of this follow-up engagement was to determine the status of corrective action taken by the District to address the finding and recommendation in Auditor General Report No. 2023-047.

The scope of our follow-up activities focused on District actions taken to address the finding and recommendation made by the Auditor General regarding the District's Agricultural Cost-Share Program.

To achieve our audit objectives, we conducted the following procedures:

- 1) Examined Auditor General Report No. 2023-047, dated November 2022, to ascertain the finding, recommendation, and original District management response thereto.
- 2) Made inquiries of and obtained representations from District management regarding the current status of corrective actions taken to address the Auditor General's finding and recommendation.
- 3) Examined District policies, the most recent Governing Board directive for the Agricultural Cost-Share Program, selected documentation from District files for all Agricultural Cost-Share agreements entered into by the District since October 1, 2022, and other documentation relating to management corrective actions.

**SUMMARY OF RESULTS**

For this follow-up audit, we concluded that District management has corrected the finding and recommendation in the Auditor General’s report. Please see Appendix A of this report for a schedule of the current status reported by management regarding the Auditor General’s finding and recommendation.

We wish to take this opportunity to thank District staff for their assistance and cooperation in the conduct of our audit. If there are any questions regarding this report, please feel free to contact Richard Law, C.P.A., or Jon Ingram, C.P.A.

*Law Redd Crona & Munroe P.A.*

**LAW, REDD, CRONA & MUNROE, P.A.**

<b>Appendix A</b>	
<b>Schedule of District Corrective Action for Auditor General Report No. 2023-047</b>	
<b>March 2023</b>	
<b>Finding 1: Agricultural Cost-Share Program</b>	
<b>AG Finding Summary</b>	District records did not always demonstrate compliance with Board directives and District procedures governing the use of agricultural cost-share funds.
<b>AG Recommendation</b>	The District should continue efforts to ensure that Program project applications are maintained and all eligibility requirements are met prior to disbursement of Program funds. The District should also enhance Program administration to include verification that Program project recipients did not receive cost-share project funding from both the District and any other agency cost-share program for the same projects and documented consideration of potential conflicts of interest.
<b>Original District Response</b>	As discussed during the audit visit, District staff have made significant modifications to the processing of applications and have implemented a checklist to ensure elements required in the Directive and associated procedures are checked, verified, and retained. District staff has engaged with the Governing Board regarding the agricultural cost-share program and will be updating the Directive to clarify the intended workflow for processing cost-share. We have reviewed the finding and recommendation and are continuing to improve the processing of applications to ensure that the changes implemented address the audit findings.
<b>Status per Management as of March 2023</b>	The Governing Board Directive for the Agricultural Cost-Share Program was updated with program eligibility and approval workflow clarifications on December 13, 2022. The checklist referenced in our response to the Auditor General’s finding is being used to guide reviewers in evaluating whether cost-share program applicants meet all eligibility requirements, including those listed in the Auditor General’s finding. As such, the Auditor General’s finding has been corrected.