

HSC/Tuscan & Company, PA

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT TO MANAGEMENT

Village Council
Village of Estero
9401 Corkscrew Palms Circle
Estero, Florida 33928

We have audited the accompanying basic financial statements of the Village of Estero (the "Village") as of and for the year ended September 30, 2024 and have issued our report thereon dated May 22, 2025.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America and Chapter 10.550, Rules of the Florida Auditor General. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters based on an audit of the financial statements performed in accordance with Government Auditing Standards and Chapter 10.550, Rules of the Florida Auditor General. Disclosures in those reports, which were dated May 25, 2024, should be considered in conjunction with this report to management.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter included the following information, which is not included in the aforementioned auditor's report:

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were two prior year financially significant comments. The prior year comments were repeated in the current year and appear to be resolved.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. No such recommendations were noted to improve financial management.

- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address violations or noncompliance with provisions of contracts or grant agreements, or abuse, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.
- 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 the management letter, unless disclosed in the notes to the financial statements. The Village discloses this information in the notes to the financial statements.
- Section 10.554(1)(i)5.a., Rules of the Auditor General, requires a statement be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Village 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(7), Rules of the Auditor General, we have applied financial condition assessment procedures pursuant to Rule 10.556(8). It is management's responsibility to monitor the Village's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. In connection with our audit, we determined that the Village did not meet any of the criteria of a deteriorating financial condition described in Auditor General Rule Section 10.554(1)(i)(5).a.
- Pursuant to Section 10.554(1)(i)5.b.2, Rules of the Auditor General, if a deteriorating financial condition(s) is noted then a statement is so required along with the conditions causing the auditor to make such a conclusion. No such conditions were noted.
- Pursuant to Section 10.554(1)(i)5.c., Rules of the Auditor General, requires a statement indicating a failure, if any, of a component unit to provide financial information necessary to a proper reporting of the component unit within the audited financial statements of this entity (F.S. Section 218.39(3)(b)). There are no known component units required to report or included within these financial statements.
- Pursuant to Section 10.554(1)(i)6.a, the Village did not operate a Property Assessed Clean Energy (PACE) Program for the year ended September 30, 2024.
- Section 10.556(10)(a), Rules of the Auditor General, requires that the scope of our audit to determine the entity's compliance with the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Village complied with Section 218.415, Florida Statutes as reported in our Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes May 22, 2025, included herein.

PRIOR YEAR COMMENTS:

2022-01 Expenditures in Excess of Budget

During the audit, we noted that the Village had expenditures in excess of its final approved budget in two funds; the building fund and the driving range fund. Florida Statute Chapter 166.241(2) prohibits such excess expenditures.

We recommend the Village budget its audited carryforward in each fund which will provide a contingency and help to eliminate the potential of an over expenditure. Alternately, expenditures in excess of budget should be monitored and avoided.

2023 Addendum:

During the current year audit, we noted that the Village had expenditures in excess of its final approved budget in one fund; the driving range fund. Florida Statute Chapter 166.241(2) prohibits expenditures in excess of the approved budget.

We recommend the Village continue to budget its audited carryforward in each fund which will provide a contingency and help to eliminate the potential of an over expenditure. Alternately, expenditures in excess of budget should be monitored and the budget amended if circumstances require additional expenditures.

Current Year Addendum:

During the current year audit, we also noted that the Village had expenditures in excess of its final approved budget in one fund; the driving range fund. Florida Statute Chapter 166.241(2) prohibits expenditures in excess of the approved budget.

We would usually continue to recommend the Village continue to budget its audited carryforward in each fund which will provide a contingency and help to eliminate the potential of an over-expenditure. However, given that the driving range operations ceased in April 2024, this comment is considered resolved.

2023-01 Uncleared Bank Account Items Should be Investigated and Properly Disposed

During the audit, we noted 3 items outstanding in the operating cash account over 12 months old. Per F.S. 717.113 unclaimed items over 12 months old should be properly disposed.

We recommend that the Village investigate these items and properly dispose of them.

Current Year Addendum:

During the audit, we noted 1 item in the operating cash account over 12 months old. However, the Village has disposed of the item during the transfer to the new Tyler Munis accounting system. Per F.S. 717.113 unclaimed items over 12 months old should be properly disposed. The Village is therefore in compliance with the above Statute.

This comment is considered resolved.

CURRENT YEAR COMMENTS:

2024-01 One Quarterly Report Was Two (2) Days Late

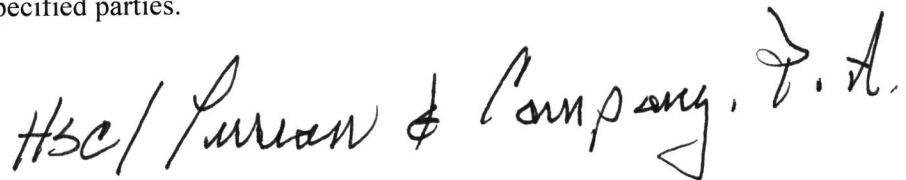
The Federal Grant CFDA 21.027 requires quarterly reporting within last day of the month following quarter end. The report for the quarter ended December 31, 2023, was filed two (2) days late. Management of the Village states the Village was understaffed at the time in the midst of an accounting software conversion. The Village is aware of the reporting requirement and is committed to timely reporting in the future.

2024-02 Journal Entries Were Posted to the General Ledger After the Audit Process Began

As the result of the software conversion, many journal entries were required during the audit process. This resulted in unbalanced funds and confusion with many large differences being noted and an extended closeout process.

Routinely, we would recommend that the Village cease to post entries once the audit has begun and wait until the end of the audit so to prevent future confusion. However, once these software issues were resolved, this likely won't be an issue in the future.

Pursuant to Chapter 119, Florida Statutes, this management letter 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 letter is intended solely for the information and use of the Village of Estero, management, the Auditor General of the State of Florida and other federal and state agencies. This report is not intended to be and should not be used by anyone other than these specified parties.



HSC/TUSCAN & COMPANY, P.A.

Fort Myers, Florida

May 22, 2025