

EAST MULLOCH
WATER CONTROL
DISTRICT

Basic Financial Statements

Fiscal Year Ended September 30, 2022

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Independent Auditor's Report

Board of Supervisors
East Mulloch Water Control District
Estero, Florida

We have audited the accompanying financial statements of the governmental activities of the East Mulloch Water Control District, (the "District") as of and for the fiscal 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 financial position of the governmental activities of the District as of September 30, 2022, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules of the District's net proportionate share of net pension liability- pension plan and health insurance subsidy plan, schedules of district contributions- pension plan and health insurance subsidy plan and schedule of changes in the total OPEB liability and related ratios to 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.

Required Supplementary Information, Continued

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 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 the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Ashley, Brown & Smith, CPAs

Punta Gorda, FL
June 5, 2023

**Management's
Discussion and Analysis**

EAST MULLOCH WATER CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2022

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

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the 2022 fiscal year by \$818,076 (net position). The entire amount consists of unrestricted net position and may be used to meet the District's ongoing obligations to property owners and creditors.
- The District's net position increased by \$227,780. This increase is attributable to the amount by which revenues exceed expenditures for the year.
- The District issued no debt in fiscal year 2022, and the District currently has no outstanding debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements and other supplementary information. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, using accounting methods similar to a private sector business. These statements include all assets and liabilities on the accrual basis of accounting. All current year revenues and expenses are taken into account regardless of when the cash is received or paid.

Fund Financial Statements

The fund financial statements are used to ensure and demonstrate compliance with finance-related legal requirements.

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 financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. As noted earlier, assets exceeded liabilities by \$818,076 as of September 30, 2022.

The District has no capital assets or long-term debt. The District subcontracts all maintenance work in order to provide services to its citizens and property owners.

EAST MULLOCH WATER CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED

The unrestricted fund balance of \$818,076 at year end may be used to meet the District's ongoing obligations to citizens and creditors. Unassigned fund balance represents 853% of total annual general fund expenditures and is shown in the following schedule:

Summary of Net Position

	9/30/2022	9/30/2021
ASSETS		
Cash	\$ 818,076	\$ 590,296
Total assets	818,076	590,296
NET POSITION		
Unrestricted	818,076	590,296
Total net position	\$ 818,076	\$ 590,296

Summary of Activities

	9/30/2022	9/30/2021
REVENUES		
Property assessments	\$ 323,596	\$ 320,541
Interest	81	28
Total revenues	323,677	320,569
EXPENSES		
Physical Environment		
Operating expense	95,897	43,006
Total expenses	95,897	43,006
Changes in net position	227,780	277,563
Net position - October 1, 2021 & 2020	590,296	312,733
Net position - September 30, 2022 & 2021	\$ 818,076	\$ 590,296

Property assessments continue as our primary source of revenues. The increase in operating expenses was the result of canal maintenance projects planned for fiscal year 2021 that were deferred until fiscal year 2022.

EAST MULLOCH WATER CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2022

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

CAPITAL ASSETS

As noted earlier, the District has no investment in capital assets which would consist of land, buildings and improvements and equipment. Consequently, the District had no depreciation expense for the years ended September 30, 2021 or 2022.

LONG TERM DEBT

The District had no long term debt as of September 30, 2021 or 2022.

GENERAL FUND BUDGETARY HIGHLIGHTS

An annual budget was legally adopted for the District at the annual meeting on August 25, 2022. Expenditures were less than budgeted. Property assessments represented 99.97% of the District's revenue for the year ended September 30, 2022. Property assessments for the year ended September 30, 2022 were \$40.00 per acre or part thereof if less than one acre.

	Fiscal Year 2022 Budget - General Fund			Fiscal Year 2021 Budget - General Fund		
	Actual	Budget	Variance	Actual	Budget	Variance
Total Revenues	\$ 323,677	\$ 322,000	\$ 1,677	\$ 320,569	\$ 322,000	\$ (1,431)
Total Expenditures	95,897	500,000	404,103	43,006	500,000	456,994
Change in Fund Balance	<u>\$ 227,780</u>	<u>\$ (178,000)</u>	<u>\$ 405,780</u>	<u>\$ 277,563</u>	<u>\$ (178,000)</u>	<u>\$ 455,563</u>

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances for the District's residents and creditors. Questions concerning this report or requests for additional financial information should be directed to:

Alan C. Freeman, Supervisor
East Mulloch Water Control District
PO Box 511, Estero, FL 33929
Phone: (239) 267-7472

**Basic
Financial Statements**

EAST MULLOCH WATER CONTROL DISTRICT
GOVERNMENTAL FUND BALANCE SHEET / STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

	<u>General Fund</u>	<u>Adjustments (Note 3)</u>	<u>Statement of Net Position</u>
ASSETS			
Cash and cash equivalents	\$ 818,076	\$ -	\$ 818,076
Total assets	\$ 818,076	\$ -	\$ 818,076
 LIABILITIES & FUND BALANCE / NET POSITION			
Unassigned/Unrestricted	\$ 818,076	\$ -	\$ 818,076
Total liabilities & fund balance/net position	\$ 818,076	\$ -	\$ 818,076

EAST MULLOCH WATER CONTROL DISTRICT
STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE / STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	General Fund	Adjustments (Note 3)	Statement of Activities
REVENUES			
Property assessments	\$ 323,596	\$ -	\$ 323,596
Interest	81	-	81
Total revenues	<u>323,677</u>	<u>-</u>	<u>323,677</u>
PHYSICAL ENVIRONMENT EXPENDITURES / EXPENSES			
Canal maintenance	74,891	-	74,891
Insurance	3,528	-	3,528
Office & administration	289	-	289
Permits & license fees	760	-	760
Annual Audit Fee	5,175	-	5,175
Tax Collector	3,226	-	3,226
Property Appraiser	8,028	-	8,028
Total expenditures/expenses	<u>95,897</u>	<u>-</u>	<u>95,897</u>
Excess of revenues over expenditures/ Change in net position	<u>227,780</u>	<u>-</u>	<u>227,780</u>
Fund balance/Net position, beginning of year	<u>590,296</u>	<u>-</u>	<u>590,296</u>
Fund balance/Net position, end of year	<u><u>\$ 818,076</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 818,076</u></u>

EAST MULLOCH WATER CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1. DESCRIPTION

The East Mulloch Water Control District (the "District") is a dependent special district controlled by Lee County government pursuant F.S. Chapter 189. The District was originally created by the State of Florida Legislature under Chapter 63-930, Laws of Florida, to provide water control and drainage services to a certain prescribed area in Lee County, Florida as amended by House Bill No. 1089 Chapter 2018-174 Laws of Florida effective October 1, 2018 and further amended by Lee County ordinances 19-11 and 19-15. The District is funded primarily by taxes and is operated by a three-person Board of Supervisors (the "Supervisors"). The Supervisors meet annually (unless special meetings are necessary) to conduct the business of the District including adoption of the budget at the fund level.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements conform to accounting principles generally accepted in the United States of America for governmental units as prescribed by the Governmental Accounting Standards Board ("GASB") and other recognized authoritative sources. The more significant accounting policies are described below.

Government-wide and Fund Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the District. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not currently have any business-type activities.

The District has one fund as follows:

General fund - The general fund is the principal fund used to account for all activities of the District.

Basic Financial Statements

The basic financial statements include a Governmental Fund Balance Sheet/Statement of Net Position, Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance/Statement of Activities and Notes to Basic Financial Statements. The Statement of Net Position is presented in a net position format (assets less liabilities equal net position) and shown with three components: amounts invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The Statement of Activities reports functional categories of programs by the District and demonstrates how and to what degree those programs are supported by specific revenues.

EAST MULLOCH WATER CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Measurement Focus

Governmental Fund Type

The General Fund is accounted for on a "spending" or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. Accordingly, the reported unassigned fund balance (net current assets) is considered a measure of available, spendable or appropriable resources. Governmental Fund Type operating statements present increases (revenue) and decreases (expenditures) in net current assets.

Basis of Accounting

Basis of accounting refers to when revenue and expenditures are recognized in the accounts and reported in the basic financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The District complies with accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Because the District does not have capital assets or long-term debt there are no differences between the government-wide and fund financial statements.

NOTE 4. COMMITMENTS AND CONTINGENCIES

The District purchases liability and casualty insurance coverage from commercial carriers with coverage and deductibles in amounts that the Supervisors feel is adequate.

EAST MULLOCH WATER CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 5. PROPERTY TAXES

All real and tangible personal property taxes are due and payable on November 1st of each year, or as soon thereafter as the tax roll is certified by the Lee County Property Appraiser, and become delinquent on April 1st of the following year. The Lee County Tax Collector mails to each property owner on the tax roll a notice of taxes levied by the various governmental entities in the county. A four percent discount is allowed if the taxes are paid in November, with the discount declining by one percent each month thereafter. Tax certificates for the full amount of any unpaid taxes and assessments must be sold no later than June 1 of each year at which time a lien attaches to the property. The maintenance tax rate levied upon all property within the District for the year ended September 30, 2022 was \$40.00 per acre or part thereof if less than one acre.

NOTE 6. CASH AND INVESTMENTS

At September 30, 2022, the carrying amount of the District's deposits was \$818,076 and the bank balance was \$850,287. These deposits were entirely covered by Federal Depository Insurance or by collateral pursuant to the Florida Security for Public Deposits Act (Florida Statutes Chapter 280). Florida Statutes authorize investments in certificates of deposit, savings accounts, repurchase agreements, the Local Government Surplus Funds Trust Fund administered by the Florida State Board of Administration, obligations of the U.S. Government and government agencies unconditionally guaranteed by the U.S. Government. The District's investment policy permits the investment in savings accounts and certificates of deposit with state-certified, qualified public depositories.

NOTE 7. SUBSEQUENT EVENTS

Pursuant to the provisions set forth in GASB Statement No. 56, "Subsequent Events", management has considered subsequent events through June 5, 2023, which is the date that the financial statements were available to be issued. The District determined that there were no events to report during that period.

**Required
Supplementary
Information**

EAST MULLOCH WATER CONTROL DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Property assessments	\$ 322,000	\$ 322,000	\$ 323,596	\$ 1,596
Interest	-	-	81	81
Subtotal - Revenues	322,000	322,000	323,677	1,677
Cash brought forward	178,000	178,000	-	(178,000)
Total Revenues	500,000	500,000	323,677	(176,323)
EXPENDITURES				
PHYSICAL ENVIRONMENT				
Canal maintenance	378,000	378,000	74,891	303,109
Mowing & right of way maintenance	20,000	20,000	-	20,000
Engineering & survey	54,000	54,000	-	54,000
Audit & accounting	4,750	4,750	5,175	(425)
Insurance	4,500	4,500	3,528	972
Contract management	25,000	25,000	-	25,000
Office & administration	1,800	1,800	289	1,511
Permits & license fees	750	750	760	(10)
Tax Collector	3,200	3,200	3,226	(26)
Property Appraiser	8,000	8,000	8,028	(28)
Total expenditures	500,000	500,000	95,897	404,103
Excess of revenues over expenditures	\$ -	\$ -	227,780	\$ 227,780
Fund balance, beginning of year			590,296	
Fund balance, end of year			<u>\$ 818,076</u>	



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**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters Based
on an Audit of Financial Statements Performed in Accordance with
*Government Auditing Standards***

Board of Supervisors
East Mulloch Water Control District
Estero, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities of East Mulloch Water Control District, (the "District") as of and for the fiscal 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 June 5, 2023.

Report on 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 opinion 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
June 5, 2023



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Management Letter

Board of Supervisors
East Mulloch Water Control District
Estero, Florida

Report on the Financial Statements

We have audited the financial statements of the East Mulloch Water Control District, (the "District") as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 5, 2023.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standard 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 that report, which are dated June 5, 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 annual financial audit report. There were no recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The District discloses this information in the notes to the financial statements. The District does not have any component units as of September 30, 2022.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires that we apply appropriate procedures and communicate the results of our determination as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

Special District Component Units

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

As required by section 218.39 (3), Florida Statutes, and Section 10.554 (1) (i)6, 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 zero.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as zero.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as zero.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as zero.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as zero.
- 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 zero.

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 have any such findings.

Purpose of this Letter

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

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
June 5, 2023



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Independent Accountant's Examination Report

Board of Supervisors
East Mulloch Water Control District
Estero, Florida

We have examined the East Mulloch Water Control District's (the "District") compliance with the Section 218.415, Florida Statutes, in regard to investments for the year ended September 30, 2022.

Management is responsible for the District's compliance with the specified 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
June 5, 2023