

SAN CARLOS ESTATES WATER CONTROL DISTRICT
BASIC FINANCIAL STATEMENTS
TOGETHER WITH ADDITIONAL REPORTS
YEAR ENDED
September 30, 2024

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HSC/Tuscan & Company, PA

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
San Carlos Estates Water Control District
P.O. Box 367807
Bonita Springs, Florida 34136

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of San Carlos Estates Water Control District (the "District") as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
General Fund	Unmodified

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of San Carlos Estates Water Control District as of September 30, 2024, 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.

Matter of Emphasis

Subsequent to the year ended September 30, 2024, a local State legislator filed a bill requiring a referendum of the District landowners to vote to either remain an independent special district or to become a dependent special district as part of the City of Bonita. The bill, if it were to become law, requires the referendum on or before October 1, 2025. Therefore, the future of the District as an independent special district is uncertain.

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.

INTEGRITY SERVICE EXPERIENCE

Management's Responsibility 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; this includes 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 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis ("MD&A") on pages i-vi be presented to supplement the basic financial statements. Such information, although not 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 - management discussion and analysis ("MD&A") 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 required supplementary information - management discussion and analysis ("MD&A") because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Required Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise San Carlos Estates Water Control District's basic financial statements. The required supplementary information other than MD&A - budgetary comparison information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The required supplementary information other than MD&A - budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 required supplementary information other than MD&A - budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The Exhibit 1 - Management's Response to Independent Auditor's Report to Management and Exhibit 2 - Florida Rules of the Auditor General - Rule 10.554(l)(i)6-8 Compliance - Unaudited are not a required part of the basic financial statements but are required by Government Auditing Standards and/or Rules of the Auditor General, Section 10.554(i), respectively. Such information has not been subjected to the auditing procedures applied in the audit of

the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

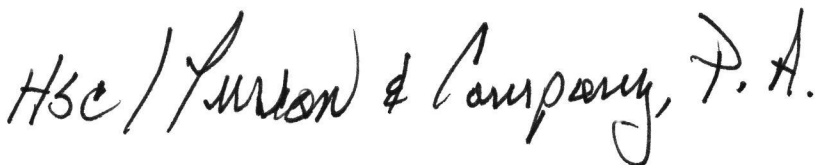
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Section 218.415, Florida Statutes

In accordance with Section 218.415, Florida Statutes, we have also issued a report dated April 4, 2025, on our consideration of San Carlos Estates Water Control District's compliance with provisions of Section 218.415, Florida Statutes. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and to provide an opinion on compliance with the aforementioned Statute. That report is an integral part of an audit performed in accordance with Sections 218.39 and 218.415, Florida Statutes in considering San Carlos Estates Water Control District's compliance with Section 218.415, Florida Statutes.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated April 4, 2025, 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, contract 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. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering San Carlos Estates Water Control District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "HSC/Tuscan & Company, P.A." The signature is written in a cursive, flowing style.

HSC/TUSCAN & COMPANY, P.A.
Fort Myers, Florida
April 4, 2025

**MANAGEMENT'S DISCUSSION
AND ANALYSIS
(MD&A)**

San Carlos Estates Water Control District

Management's Discussion and Analysis

This discussion and analysis of the San Carlos Estates Water Control District (the "District") financial statements is designed to introduce the basic financial statements and provide an analytical overview of the District's financial activities for the fiscal year ended September 30, 2024. The basic financial statements are comprised of the government-wide financial statements, governmental fund financial statements and footnotes. We hope this will assist readers in identifying and understanding significant changes in the District's financial position.

District Highlights

At the close of fiscal year 2024:

- The District's assets exceeded its liabilities, resulting in net position (net assets) of \$13,071,653. The District's total net position increased \$111,438, or .9 percent, in comparison to the prior year.
- The District had \$1,221,218 of unrestricted net position (net assets) that can be used to meet the District's ongoing obligations.
- Total revenues increased \$45,785, or 6 percent, in comparison to the prior year. This was substantially due to an increase in interest income, connection and use fees and other income. Per acre maintenance tax increased to \$570.53 per acre from \$547 per acre for the year ended September 30, 2024. Total expenses decreased \$34,210, or 5 percent, in comparison to the prior year, most significantly due to a decrease in maintenance expenses in the year ended September 30, 2024.

At the close of fiscal year 2023:

- The District's assets exceeded its liabilities, resulting in net position (net assets) of \$12,960,215. The District's total net position increased \$31,443, or less than 1 percent, in comparison to the prior year.
- The District had \$1,395,077 of unrestricted net position (net assets) that can be used to meet the District's ongoing obligations.
- Total revenues increased \$142,643, or 23 percent, in comparison to the prior year. This was substantially due to an increase in maintenance tax levied. Per acre maintenance tax changed from \$456 per acre in 2022 to \$547 per acre in 2023. Total expenses increased \$166,779, or 30 percent, in comparison to the prior year, most significantly due to an increase in engineering and maintenance costs in the year ended September 30, 2023.

Government-wide Financial Statements

Government-wide financial statements (Statement of Net Position and Statement of Activities found on pages 4 and 5) are intended to allow a reader to assess a government's operational accountability. Operational accountability is defined as the extent to which the government has met its operating objectives efficiently and effectively, using all resources available for that purpose, and whether it can

continue to meet its objectives for the foreseeable future. Government-wide financial statements concentrate on the District as a whole and do not emphasize fund types.

The Statement of Net Position (Page 5) presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. The District's capital assets (property, plant and equipment) are included in this statement and reported net of their accumulated depreciation.

The Statement of Activities (Page 6) presents revenue and expense information showing how the District's net position changed during the fiscal year. Both statements are measured and reported using the economic resource measurement focus (revenues and expenses) and the accrual basis of accounting (revenue recognized when earned and expense recognized when a liability is incurred).

Governmental Fund Financial Statement

The accounts of the District are organized on the basis of governmental funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The District only utilizes one fund, a general fund.

Governmental fund financial statements (found on pages 7 and 9) are prepared on the modified accrual basis using the current financial resources measurement focus. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available as net current assets.

Notes to the Financial Statements

The notes to the financial statements explain in detail some of the data contained in the preceding statements and begin on page 11. These notes are essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

The government-wide financial statements were designed so that the user could determine if the District is in a better or worse financial condition from the prior year.

The following is a condensed summary of net position for the primary government at September 30:

Assets:	<u>2024</u>	<u>2023</u>
Current and other assets	\$ 1,258,114	\$ 1,416,109
Non-current assets	<u>11,844,869</u>	<u>11,875,702</u>
Total Assets	<u>13,102,983</u>	<u>13,291,811</u>
Liabilities:		
Current liabilities	31,330	331,596
Non-current liabilities	<u>-</u>	<u>-</u>
Total Liabilities	<u>31,330</u>	<u>331,596</u>
Net Position:		
Net Investment in capital assets	11,844,869	11,563,785
Restricted	5,566	1,353
Unrestricted	<u>1,221,218</u>	<u>1,395,077</u>
Total net position	<u>\$13,071,653</u>	<u>\$12,960,215</u>

For the year ended September 30, 2024, current and other assets represent 10 percent of total assets. Current assets are comprised of cash of \$211,355, investments of \$1,027,515, due from other governments of \$3,980 and prepaid expenses of \$15,264. There was restricted cash of \$5,566. The balances of unrestricted cash represent amounts that were available for spending at the District's discretion.

The net investment in capital assets at September 30, 2024 represent 91 percent of net position and are comprised of land, swales and infrastructure, net of accumulated depreciation, and the outstanding related debt used to acquire the assets. There was no outstanding debt related to capital assets at September 30, 2024.

For the year ended September 30, 2023, current and other assets represent 11 percent of total assets. Current assets are comprised of cash of \$126,900, investments of \$972,272, due from other governments of \$1,365, current portion of capital assessments of \$311,917 and prepaid expenses of \$3,655. There was restricted cash of \$1,353. The balances of unrestricted cash represent amounts that were available for spending at the District's discretion.

The net investment in capital assets at September 30, 2023 represent 89 percent of net position and are comprised of land, swales and infrastructure, net of

accumulated depreciation, and the outstanding related debt used to acquire the assets. There was \$311,917 and \$830,768 outstanding debt related to capital assets at September 30, 2023 or 2022, respectively.

The following schedule reports the revenues, expenses, and changes in net position for the District at September 30:

Summary of Revenues, Expenses and Changes in Net Position
Years Ended September 30

Revenues:	<u>2024</u>	<u>2023</u>
Program Revenue		
Use and connection fees	\$ 24,875	\$ 10,000
General Revenue		
Maintenance taxes	603,670	596,791
Assessments	48,786	74,426
Interest income	61,042	42,168
Miscellaneous	<u>57,565</u>	<u>26,768</u>
Total Revenues	<u>795,938</u>	<u>750,153</u>
Expenses:		
General Government	398,355	345,746
Water Control	<u>286,145</u>	<u>372,964</u>
Total Expenses	<u>684,500</u>	<u>718,710</u>
Increase (decrease) in net position	111,438	31,443
Net Position - Beginning of the Year	<u>12,960,215</u>	<u>12,928,772</u>
Net Position - End of the Year	<u>\$ 13,071,653</u>	<u>\$ 12,960,215</u>

Capital Assets

Non-depreciable capital assets include land and construction in progress. Depreciable assets include buildings, equipment and machinery.

The following is a schedule of the District's capital assets at September 30:

Non-Depreciable Capital Assets	2024	2023
Swales	\$ 10,922,820	\$ 10,922,820
Land	<u>7,500</u>	<u>7,500</u>
Total Non-Depreciable Capital Assets	10,930,320	10,930,320
Depreciable Capital Assets		
Roads & Equipment	1,373,375	1,373,375
Accumulated Depreciation	<u>(427,993)</u>	<u>(458,826)</u>
Depreciable Capital Assets - Net	<u>945,382</u>	<u>914,549</u>
Capital Assets, Net of Depreciation	<u>\$ 11,875,702</u>	<u>\$ 11,844,869</u>

During the year ended September 30, 2024, the District purchased no capital assets.

The District purchased a gate during the year ended September 30, 2023, that was damaged during Hurricane Ian.

Debt Administration

At September 30, 2024 and 2023, the District had note payable balances of \$0 and \$311,917 after principal payments of \$311,917 and \$518,851, respectively.

During the years ended September 30, 2024 and 2023, the District did not record an accrued compensated absence payable for vacation time earned but not paid, as the amounts were \$0.

Budgetary Comparison

During the year ended September 30, 2024, actual results were consistent with the amounts budgeted except actual tax and assessment revenue was approximately \$80,000 less than budgeted and operational expenditures were approximately \$11,000 lower than budgeted. Although reserves were budgeted, none were applied to operations.

During the year ended September 30, 2023, actual results were consistent with the amounts budgeted except the District collected \$30,721 for Assessment II that was not budgeted and operational expenditures were approximately \$61,000 higher than budgeted due to unexpected engineering costs. Although reserves were budgeted, none were applied to operations.

Economic Factors and Next Year's Budget Rates

The following were factors considered when next year's budget (2024-2025) was prepared:

- Maintenance assessments were set at \$612.75 and \$570.53 per acre for fiscal years ended September 30, 2025 and 2024, respectively.
- Administration and operating costs were projected to be higher in fiscal year 2025.
- The District intends to focus on system maintenance and perform a system analysis as part of its long-term maintenance plan and due to population growth in the District.

Request for information

This financial report is designed to provide the reader an overview of the District. Questions regarding any information provided in this report should be directed to:

John Cellucci, Manager/Superintendent of Operations
P.O. Box 367807
Bonita Springs, FL 34135
(239)495-4699

SAN CARLOS ESTATES WATER CONTROL DISTRICT
STATEMENT OF NET POSITION
September 30, 2024

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	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents, including restricted cash of \$5,566	\$ 211,355
Investments	1,027,515
Due from other governments	3,980
Capital assessments receivable Phase I	-
Capital assessments receivable Phase II	-
Prepaid insurance	15,264
Total current assets	<u>1,258,114</u>
Non-current assets:	
Capital assets:	
Non-depreciable land and swales	10,930,320
Depreciable buildings, equipment and machinery (net of \$458,826 accumulated depreciation)	<u>914,549</u>
Total capital assets	11,844,869
Capital assessments receivable Phase I, net of current portion	<u>-</u>
Total non-current assets	<u>11,844,869</u>
TOTAL ASSETS	<u>13,102,983</u>
LIABILITIES	
Current liabilities:	
Accounts payable	31,330
Accrued interest	-
Note payable - current portion	<u>-</u>
Total current liabilities	31,330
Non-current liabilities:	
Note payable, net of current portion	<u>-</u>
TOTAL LIABILITIES	<u>31,330</u>
NET POSITION	
Net investment in capital assets	11,844,869
Restricted for debt service	5,566
Unrestricted	<u>1,221,218</u>
TOTAL NET POSITION	<u>\$ 13,071,653</u>

The accompanying notes are an integral part of this statement.

SAN CARLOS ESTATES WATER CONTROL DISTRICT
STATEMENT OF ACTIVITIES
Year Ended September 30, 2024

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	<u>Total Governmental Activities</u>
EXPENSES	
Governmental Activities	
General Government	
Administration	
Personnel services	\$ 59,222
Operating expenses	<u>339,133</u>
Total General Government	<u>398,355</u>
Water Control	
Operating expenses	248,178
Depreciation	30,833
Interest and fiscal charges	<u>7,134</u>
Total Water Control	<u>286,145</u>
Total Governmental Activities	<u>684,500</u>
 PROGRAM REVENUES	
Use and connection fees	<u>(24,875)</u>
NET PROGRAM EXPENSES	659,625
 GENERAL REVENUES	
Maintenance taxes	603,670
Phase I & II assessments	48,786
Interest income	61,042
Miscellaneous income	<u>57,565</u>
TOTAL GENERAL REVENUES	<u>771,063</u>
 INCREASE (DECREASE) IN NET POSITION	111,438
 NET POSITION - Beginning of the year	<u>12,960,215</u>
NET POSITION - End of the year	<u><u>\$ 13,071,653</u></u>

The accompanying notes are an integral part of this statement.

SAN CARLOS ESTATES WATER CONTROL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUND
September 30, 2024

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	General Fund	Total Governmental Funds
ASSETS		
Cash and cash equivalents, including restricted cash	\$ 211,355	\$ 211,355
Investments	1,027,515	1,027,515
Due from other governments	3,980	3,980
Prepaid insurance	15,264	15,264
TOTAL ASSETS	\$ 1,258,114	\$ 1,258,114
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	\$ 31,330	\$ 31,330
Accrued expenses	-	-
TOTAL LIABILITIES	31,330	31,330
FUND BALANCE		
Nonspendable	15,264	15,264
Restricted for debt service	5,566	5,566
Assigned	1,205,954	1,205,954
Unassigned	-	-
TOTAL FUND BALANCE	1,226,784	1,226,784
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,258,114	\$ 1,258,114

The accompanying notes are an integral part of this statement.

SAN CARLOS ESTATES WATER CONTROL DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL
FUND TO THE STATEMENT OF NET POSITION
September 30, 2024

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	<u>Amount</u>	
Total fund balance for governmental fund	\$ 1,226,784	
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 governmental fund:		
Capital assets not being depreciated:		
Land and swales	<u>10,930,320</u>	<u>10,930,320</u>
Capital assets being depreciated:		
Building, equipment and machinery	1,373,375	
Less accumulated depreciation	<u>(458,826)</u>	<u>914,549</u>
Long-term receivables are not receivable in the current period and, therefore, are not reported in the governmental fund:		
Capital assessment	<u>-</u>	<u>-</u>
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental fund:		
Accrued interest	-	
Note payable - Phase I	<u>-</u>	<u>-</u>
Total net position of governmental activities	<u>\$ 13,071,653</u>	

The accompanying notes are an integral part of this statement.

SAN CARLOS ESTATES WATER CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
Year Ended September 30, 2024

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	General Fund	Total Governmental Funds
REVENUES		
Maintenance taxes	\$ 603,670	\$ 603,670
Phase I assessment	336,702	336,702
Phase II assessment	24,001	24,001
Use and connection fees	24,875	24,875
Interest income	61,042	61,042
Miscellaneous income	57,565	57,565
TOTAL REVENUES	1,107,855	1,107,855
EXPENDITURES		
Current		
General government		
Administration		
Personnel services	59,222	59,222
Operating expenditures	339,133	339,133
	398,355	398,355
Physical environment		
Field operations		
Operating expenditures	248,178	248,178
	248,178	248,178
Capital outlay	-	-
Debt service		
Principal reduction	311,917	311,917
Interest and fiscal charges	9,001	9,001
TOTAL EXPENDITURES	967,451	967,451
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	140,404	140,404
OTHER FINANCING SOURCES		
Proceeds from issuance of note payable	-	-
TOTAL OTHER FINANCING SOURCES	-	-
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	140,404	140,404
FUND BALANCE - BEGINNING	1,086,380	1,086,380
FUND BALANCE - ENDING	\$ 1,226,784	\$ 1,226,784

The accompanying notes are an integral part of this statement.

**SAN CARLOS ESTATES WATER CONTROL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUND TO THE STATEMENT
OF ACTIVITIES**

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Year Ended September 30, 2024

	<u>Amount</u>
Net change in fund balance (excess of revenues and other sources over (under) expenditures) - total governmental fund	\$ 140,404
The increase (decrease) in net position reported for governmental activities in the Statement of Activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Expenditures for capital assets	-
Less: current year depreciation	<u>(30,833)</u>
	<u>(30,833)</u>
Governmental funds report capital assessments as revenues when received. However, in the Statement of Activities capital assessment collections are used to reduce the capital assessment receivable balance.	
Adjustment to Phase I assessment revenue	(311,917)
Adjustment to Phase II assessment revenue	<u>-</u>
	<u>(311,917)</u>
The issuance of debt is reported as a financing source in governmental funds and this contributes to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position.	
Repayments (principal retirement):	
Plus: note payable	<u>311,917</u>
	<u>311,917</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	
Decrease in accrued interest payable	<u>1,867</u>
	<u>1,867</u>
Increase (decrease) in net position of governmental activities	<u>\$ 111,438</u>

The accompanying notes are an integral part of this statement.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

San Carlos Estates Water Control District (the "District") is an independent special district created on April 3, 1969, by Circuit Court Order No. 69-105, under the provisions of Florida Statutes, Chapter 298, for the purpose of having the District's lands reclaimed and protected from the effects of water for sanitary and agricultural purposes and to be rendered conducive to the public health, convenience and welfare, and of public utility or benefit by drainage or otherwise.

The District is comprised of approximately 1,081 acres located in southern Lee County, Florida and is responsible for drainage and/or water control and the quality of water flowing through the canals and swales of San Carlos Estates. The District is also required to maintain all roads within the District.

The District is governed by an elected three (3) member Board of Supervisors serving staggered three (3) year terms. Board members are elected by landowners on a one acre/one vote basis but not less than one vote per landowner.

The District's maintenance costs and other expenditures are paid from the General Fund through the collection of non-ad valorem assessments (maintenance taxes). The District also services its special assessment debt via the general fund.

Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies used in the preparation of these basic financial statements.

The basic financial statements of the District are comprised of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

Reporting Entity

The District adheres to Governmental Accounting Standards Board (GASB) Statement Number 14, "Financial Reporting Entity", as amended by GASB Statement Number 39 "Determining Whether Certain Organizations Are Component

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Reporting Entity, continued

Units" and GASB Statement Number 61, "the Financial Reporting Entity: Omnibus - An Amendment of GASB Statements No. 14 and No. 34". These Statements require the basic financial statements of the District (the primary government) to include its component units, if any. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. Based on the criteria established in GASB Statement Number 14, as amended, there are no components required to be included. Therefore, there are no component units included and/or required to be included in the District's basic financial statements.

Government-wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the District and do not emphasize fund types. These governmental activities comprise the primary government. General governmental revenues support the governmental activities. The purpose of the government-wide financial statements is to allow the user to be able to determine if the District is in a better or worse financial position than the prior year.

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement 33, "Accounting and Financial Reporting for Nonexchange Transactions" (GASB 33).

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability in the government-wide financial statements, rather than as expenditures.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Government-wide Financial Statements, continued

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

Program revenues are considered to be revenues generated by services performed and/or by fees charged such as use and connection fees, allowing drainage into the District systems.

Fund Financial Statements

The District adheres to GASB Number 54, "Fund Balance Reporting and Governmental Fund Type Definitions". As such, it is the District's intent to hold unassigned fund balance in an amount ranging between three (3) months to six (6) months operating expenditures. Nonspendable fund balance represents amounts not considered liquid, such as prepaid amounts and special assessments receivable to be collected over 20 years.

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity or retained earnings, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the District's governmental funds are presented after the government-wide financial statements. The governmental fund financial statements display information about its only major fund.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Governmental Funds

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collected within the current period or soon thereafter to pay liabilities of the current period.

The District's major funds are presented in separate columns on the governmental fund financial statements. The definition of a major fund is one that meets certain criteria set forth in GASB Statement Number 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments" (GASB 34). The funds that do not meet the criteria of a major fund are considered non-major funds and are combined into a single column on the governmental fund financial statements.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus and Basis of Accounting

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

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 the timing of related cash flows. General maintenance taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements 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 and soon enough thereafter to pay liabilities of the current period.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Measurement Focus and Basis of Accounting, continued

Revenues susceptible to accrual are maintenance assessments, interest on investments, and intergovernmental revenues. General maintenance assessments are recorded as revenues in the fiscal year in which they are levied, provided they are collected in the current period or within sixty (60) days thereafter. Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized when all eligibility requirements are met.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) principal and interest on long-term debt, if any, is recognized when due; and (2) expenditures are generally not divided between years by the recording of prepaid expenditures.

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.

Separate financial statements are provided for governmental funds.

Non-current Government Assets/Liabilities

GASB 34 requires non-current governmental assets, such as land and buildings, and non-current governmental liabilities, such as notes and line of credit payable, to be reported in the governmental activities column in the government-wide Statement of Net Position.

Major Funds - Governmental

The District reports the following major governmental fund:

The General Fund is the District's primary operating fund and its only fund. It accounts for all financial resources of the District.

Budgetary Information

The District has elected to report budgetary comparison of major funds as required supplementary information (RSI).

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Capital Assets

Capital assets, which include land, roads, canals, buildings, equipment and machinery, are reported in the government-wide Statement of Net Position.

The District follows a capitalization policy, which calls for capitalization of all fixed assets that have a cost or donated value of \$5,000 or more and have a useful life in excess of one year.

All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date donated. Public domain capital assets consisting of certain improvements other than building, including canals, swales, culverts and excavations are capitalized. The District has segregated the cost of land and the cost of constructing swales into the "land and swales" categories of capital assets. Since the District continually maintains its swales and drainage systems it owns, the District elected not to depreciate such systems. Infrastructure, including roads, is depreciated over its useful lives. No debt-related interest expense is capitalized as part of capital assets in accordance with GASB 34.

Maintenance, repairs and minor renovations are not capitalized.

Expenditures that materially increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement, the cost is eliminated from the respective accounts.

Expenditures for capital assets are recorded in the fund statements as current expenditures. However, such expenditures are not reflected as expenditures in the government-wide financial statements but rather are capitalized and depreciated.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings	15-30
Equipment and Machinery	5-10
Improvements	10-20
General Infrastructure	10-50

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Budgets and Budgetary Accounting

The District has adopted an annual budget for the General Fund.

The District follows these procedures in establishing budgetary data for the General Fund.

1. During the spring or summer of each year, the Chairman submits to the Board of Supervisors a proposed operating budget for the fiscal year commencing on the upcoming October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer/landowner comments.
3. The budget is adopted by approval of the Board of Supervisors.
4. Budget amounts, as shown in these basic financial statements, are as originally adopted or as amended by the Board of Supervisors.
5. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America.
6. The level of control for appropriations is exercised at the fund level.
7. Appropriations lapse at year-end.
8. The Board of Supervisors approved one (1) amendment to the budget during fiscal year September 30, 2024. The amendment increased revenue and expenditures by \$88,063, net.

Compensated Absences

The District's employees do not accumulate sick and annual leave for years of continuous service. Therefore, no accumulated annual leave at September 30, 2024, was recorded in the basic financial statements.

Capital Assessment Receivable

The District annually levies a capital assessment pursuant to Chapters 298.36 and 298.50 of the Florida Statutes specifically to service notes payables which were collateralized by such levies. These levies were authorized in 2005 for 20 years. The proceeds from such levies are used to service the related outstanding notes payable. As such, the capital assessment receivable is recorded in an equal amount to the related outstanding assessment receivable balance.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Encumbrances

Encumbrances accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District because, at present, it is not necessary in order to assure effective budgetary control or to facilitate effective cash planning and control.

Due From Other Governments

No allowance for losses on uncollectible accounts has been recorded since the District considered all amounts to be fully collectible.

Net position

In the government-wide financial statements, restricted net assets are those net assets that have constraints as to their use externally imposed by creditors, through debt covenants, by grantors, or by law.

Fund balances

The governmental fund financial statements the District maintains include nonspendable, assigned and unassigned fund balances. Nonspendable fund balances are those that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Criteria include items that are not expected to be converted into cash, such as prepaid expenses, deposits and long-term special assessments receivable.

Management Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires the District to make estimates and assumptions that affect the reported amounts of assets, liabilities, fund equity, and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Subsequent Events

Subsequent events have been evaluated through April 4, 2025, which is the date the basic financial statements were available to be issued.

Leases

During the year ended September 30, 2022, the District adopted GASB Statement No. 87 - Leases. The District, however, determined that it had no lease agreements that met the criteria for such recording. Therefore, there was no effect from GASB No. 87 at September 30, 2024.

GASB 94: Public-Private and Public-Public Partnerships and Availability Payment Arrangements

In March 2020, the GASB issued Statement No. 94 (*Public-Private and Public-Public Partnerships and Availability Arrangements*) to bring a uniform guidance on how to report public-private and public-public partnership arrangements, recognize receivables for installment payments, deferred inflows of resources, and, when applicable, capital assets. Operators will recognize liabilities for installment payments and intangible right-to-use assets, and when applicable, deferred outflows of resources and liabilities for assets being transferred.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangement in which a government compensates an operator for services such as designing, constructing, financing, maintaining, or operating an underlying asset for a period of time in an exchange or exchange-like transaction. The provisions of this Statement are effective for the District's financial statements for the year ended September 30, 2023. The District, however, had no arrangements that met this Statement's reporting criteria for the year ended September 30, 2024.

GASB 96: Subscription-Based Information Technology Arrangements (SBITAs)

In May 2020, the GASB issued Statement No. 96 (*Subscription-Based Information Technology Arrangements (SBITAs)*), which defined the SBITAs and provides accounting and financial reporting for SBITAs by governments. This Statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for the SBITAs. The District is currently evaluating the

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

GASB 96: Subscription-Based Information Technology Arrangements (SBITAs), continued

impact of this Statement on the financial statements when adopted. The provisions of this Statement are effective for the District's financial statements for the year ended September 30, 2023. The District, however, had no arrangements that met this Statement's reporting criteria for the year ended September 30, 2024.

NOTE B - CASH AND INVESTMENTS

At September 30, 2024, cash was \$211,355 including restricted cash of \$5,566 for debt service.

Deposits

The District's deposit policy allows deposits to be held in demand deposit or money market accounts in compliance with Florida Statutes, Chapter 218.415(17). Deposits, at times during the fiscal year, exceeded FDIC insurance limits and were covered by collateral pursuant to the Public Depository Security Act (Chapter 280, F.S.).

At September 30, 2024, the carrying amount of the District's deposits was \$211,355 in the General Fund and the bank balance was \$243,922. These deposits were entirely covered by federal depository insurance or by collateral pursuant to the Public Depository Security Act of the State of Florida. All deposits were held in a qualified public depository at September 30, 2024.

Investments

Florida Statutes and the District's investment policy authorize investments in the Local Government Surplus Funds Trust Fund (SBA) administered by the State Board of Administration. At September 30, 2024, the District's investments in the Local Government Surplus Funds Trust Fund consist of the following:

	Cost Basis	Fair Value (NAV)/ Carrying Amount
<u>General Fund</u>		
Local Government Surplus Trust Fund (SBA)		
Fund "A" (LGIP) Prime	\$ 1,027,515	\$ 1,027,515
Total investments - General Fund	<u>\$ 1,027,515</u>	<u>\$ 1,027,515</u>

NOTE B - CASH AND INVESTMENTS, CONTINUED

The Local Government Surplus Funds Trust Fund (Florida PRIME (formerly Fund "A")) is an external 2a7-like investment pool, administered by the Florida State Board of Administration. The Local Government Surplus Funds Investment Pool Trust Fund is not categorized as it is not evidenced by securities that exist in physical or book entry form. The Local Government Surplus Trust Funds Investment Pool's shares are stated at amortized cost (NAV), which approximates fair value. These investments are subject to the risk that the market value of an investment, collateral protecting a deposit or securities underlying a repurchase agreement, will decline. The District's investment in the Fund represented less than 1% of the Fund's total investments. Investments held in the Fund include, but are not limited to, short-term federal agency obligations, treasury bills, repurchase agreements and commercial paper. These short-term investments are stated at amortized cost, which approximates market. Investment income is recognized as earned and is allocated to participants of the Fund based on their equity participation.

At September 30, 2024, the District reported SBA investments of \$1,027,515 fair value/cost for amounts held in Florida PRIME. The Florida PRIME carried a credit rating of AAAM by Standard and Poors and had a weighted average days to maturity (WAM) of 39 days at September 30, 2024. The weighted average life (WAL) of PRIME was 74 days at September 30, 2024.

The District adheres to GASB Statement No. 79 which requires the following disclosures related to its Florida PRIME investment:

Redemption Gates: Chapter 218.409(8)(a), Florida Statutes, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to a payment at any time from the moneys in the trust fund. However, the Executive Director of the fund may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Executive Director has instituted such measures to review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on the contributions and

NOTE B - CASH AND INVESTMENTS, CONTINUED

withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.”

Foreign Currency Risk: Prime was not exposed to any foreign risk during the period October 1, 2023 to September 30, 2024.

Liquidity Fees: Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosures in the enrollment materials of the amount and purpose of such fees. At September 30, 2024, no such disclosure has been made.

Redemption Fees: As of September 30, 2024, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value.

Fair Value: The cost and carrying value of the cash, cash equivalents, and investments held by the District approximate fair value and as such are reported at amortized cost.

Security Lending: PRIME did not participate in a securities lending program during the year October 1, 2023 through September 30, 2024.

PRIME audited financial statements for the year ended June 30, 2024, are available online.

Cash and Investment Policy

The District has adopted a cash and investment policy consistent with Florida Statute Chapter 218.415(17).

SAN CARLOS ESTATES WATER CONTROL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

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NOTE C - CAPITAL ASSETS ACTIVITY

The following is a summary of changes in capital assets activity for the year ended September 30, 2024:

	Balance October 1 2023	Increases/ Additions	Decreases/ Retirements	Adjustments/ Reclassifications	Balance September 30 2024
Capital Assets Not Being Depreciated:					
Land	\$ 7,500	\$ -	\$ -	\$ -	\$ 7,500
Swales	<u>10,922,820</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,922,820</u>
Total Capital Assets Not Being Depreciated	<u>10,930,320</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,930,320</u>
Capital Assets Being Depreciated:					
Infrastructure - Roads/Equipment	<u>1,373,375</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,373,375</u>
Total Capital Assets Being Depreciated	<u>1,373,375</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,373,375</u>
Less Accumulated Depreciation:					
Infrastructure	<u>(427,993)</u>	<u>(30,833)</u>	<u>-</u>	<u>-</u>	<u>(458,826)</u>
Total Accumulated Depreciation	<u>(427,993)</u>	<u>(30,833)</u>	<u>-</u>	<u>-</u>	<u>(458,826)</u>
Total Capital Assets Being Depreciated, Net	<u>945,382</u>	<u>(30,833)</u>	<u>-</u>	<u>-</u>	<u>914,549</u>
Capital Assets, Net	<u>\$ 11,875,702</u>	<u>\$ (30,833)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>11,844,869</u>
				Less: Long Term Debt	<u>-</u>
				Net Investment in Capital Assets	<u>\$ 11,844,869</u>

Depreciation expense was charged to the following functions during the year ended September 30, 2024:

	Amount
Water Control	<u>\$ 30,833</u>
Total Depreciation Expense	<u>\$ 30,833</u>

SAN CARLOS ESTATES WATER CONTROL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

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NOTE D - LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended September 30, 2024:

	Balance October 1 2023	Additions	Retirements/ Adjustments	Balance September 30 2024	Amounts Due Within One Year
Phase I Note Payable	\$ 311,917	\$ -	\$ (311,917)	\$ -	\$ -
	<u>\$ 311,917</u>	<u>\$ -</u>	<u>\$ (311,917)</u>	<u>\$ -</u>	<u>\$ -</u>

The following is a summary of the long-term obligations at September 30, 2024:

	Amount
On July 6, 2005, the District entered into a \$10,000,000 note payable to a financial institution to fund Phase I of the capital improvement project. Under the terms of the note, prepayments of assessments are permitted and remaining principal and interest shall be re-amortized over the remaining term of the note. The District made an additional \$89,000 prepayment of principal during FY 21. As such, the loan was re-amortized on August 1, 2021, in the amount of \$1,324,022. Payments of principal and interest of \$226,792 are due semi-annually, beginning February 1, 2022, and ending February 1, 2025, based on an interest rate of 4.37% per annum. The note was paid in full during the year ended September 30, 2024. The note was due August 1, 2025. The note was collateralized by special assessments Phase I of the District. The District adjusted the note payment annually to reflect Phase I special assessment collections.	-
	-
Less: Current Portion	-
Long Term Portion	<u>\$ -</u>

SAN CARLOS ESTATES WATER CONTROL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

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NOTE E - FUND BALANCE

Fund balance in the General Fund was allocated for the following purposes at September 30, 2024:

Nonspendable	Amount
Prepays	\$ 15,264
Restricted	
Debt service	5,566
Assigned fund balance	
Emergency/disaster	250,000
Operations (3 months operations)	300,000
Road repairs and repaving	405,954
Maintenance	<u>250,000</u>
Total Assigned fund balance	1,205,954
Unassigned	<u>-</u>
	<u><u>\$ 1,226,784</u></u>

NOTE F - NON-AD VALOREM ASSESSMENT MAINTENANCE TAX

The District levies an annual non-ad valorem assessment maintenance tax which includes an operating and maintenance (O&M) component used to fund the District's general operations (General Fund) and a debt component used solely to service the District's outstanding special assessment debt for Phase I and Phase II. The Phase II note payable (debt) was paid in full during the fiscal year ended September 30, 2021, and the Board discontinued the former assessment for the subsequent year. During the year ended September 30, 2024, the District contacted the residents with outstanding assessment balances and requested payment.

NOTE F - NON-AD VALOREM ASSESSMENT MAINTENANCE TAX, CONTINUED

Maintenance taxes are levied after formal adoption of the District's budget and become due and payable on November 1 of each year and are delinquent on April 1 of the following year. Discounts on maintenance taxes are allowed for payments made prior to the April 1 delinquent date. Tax certificates are sold to the public for the full amount of any unpaid taxes and must be sold no later than June 1 of each year. The billing, collection and related record keeping of all maintenance taxes is performed for the District by the Lee County Tax Collector. No accrual for the maintenance tax levy becoming due in November 2024 is included in the accompanying financial statements, since such taxes are collected to finance the expenditures of the subsequent period. A due from other governments was recorded from Lee County at September 30, 2024, in the amount of \$3,980.

Procedures for collecting delinquent taxes, including applicable tax certificate sales and tax deed sales, are provided for by Florida Statutes. The enforceable lien date is approximately two years after taxes become delinquent and occurs only upon request of a holder of a delinquent tax certificate.

Important dates in the maintenance tax cycle are as follows:

Assessment roll certified	July 1
Assessment resolution approved	No later than 93 days following certification of assessment roll
Taxes due and payable (Levy date)	November, with various discount provisions through March 31
Maintenance Taxes payable - maximum discount (4 percent)	30 days after levy date
Beginning of fiscal year for which taxes have been levied	October 1
Due Date	March 31
Taxes become delinquent (lien date)	April 1
Tax certificates sold by the Lee County Tax Collector	Prior to June 1

SAN CARLOS ESTATES WATER CONTROL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

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NOTE F - NON-AD VALOREM ASSESSMENT MAINTENANCE TAX, CONTINUED

Under the provisions of Chapter 298.54 of the Florida Statutes, the Board of Supervisors of the District levied a uniform maintenance tax of \$570.53 per acre of land within the District to pay the operating costs for the year ended September 30, 2024. These costs include field operations, surveys, engineering, legal and accounting fees and other expenses as judged necessary by the Board for operations and maintenance of the District.

Under the provisions of Chapter 298.36 and 298.50 of the Florida Statutes, the Board of Supervisors levied one (1) capital assessment in order to service the Phase I Notes Payable. The net levy collections for Phase I were \$336,702 for the year ended September 30, 2024. The levy was assessed in three (3) units.

Phase II collections were \$24,001 for the year ended September 30, 2024.

NOTE G - SELF-INSURANCE PROGRAM

The District is a member of the Florida League of Cities self-insurers program including general/professional liability, auto, property, and workers' compensation. The program purchases excess and other specific coverages from third party carriers. Members of the program are billed annually for their portion of the program and are not assessable for unanticipated losses incurred by the program. Maximum liability coverage is \$300,000. The District also pays for the required Supervisor fidelity bonds. Premiums paid during the year ended September 30, 2024, totaled \$14,620.

NOTE H - CONTINGENCIES

The District is involved from time to time in certain routine litigation, the substance of which, either as liabilities or recoveries, would not materially affect the financial position of the District. Although the final outcome of the lawsuits, assertions, and claims, or the exact amount of costs and/or potential recovery, is not presently determinable, in the opinion of the District's legal counsel, the resolution of these matters will not have a materially adverse affect on the financial condition of the District. As a general policy, the District plans to vigorously contest any such matters.

NOTE H - CONTINGENCIES, CONTINUED

The District sustained damage and debris from Hurricane Ian in late September 2022. To date the District incurred and paid approximately \$200,000 for such repair and clean-up costs. The District is seeking reimbursement from FEMA. The amount and timetable of such reimbursement is unknown. No FEMA or insurance reimbursement was received during the year ended September 30, 2024.

Subsequent to the year ended September 30, 2024, a local State legislator filed a bill requiring a referendum of the District landowners to vote to either remain an independent special district or to become a dependent special district as part of the City of Bonita. The bill, if it were to become law, requires the referendum on or before October 1, 2025. Therefore, the future of the District as an independent special district is uncertain.

**REQUIRED SUPPLEMENTARY
INFORMATION
OTHER THAN MD&A**

SAN CARLOS ESTATES WATER CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND
ACTUAL - GENERAL FUND - SUMMARY STATEMENT
Year Ended September 30, 2024

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	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
General maintenance taxes	\$ 617,834	\$ 617,834	\$ 603,670	\$ (14,164)
Phase I assessment	340,138	340,138	336,702	(3,436)
Phase II assessment	86,393	86,393	24,001	(62,392)
Use and connection fees	6,000	6,000	24,875	18,875
Interest income	49,188	49,188	61,042	11,854
Miscellaneous income	23,750	23,750	57,565	33,815
Prior year budgeted carryforward	998,317	1,086,380	-	(1,086,380)
TOTAL REVENUES	<u>2,121,620</u>	<u>2,209,683</u>	<u>1,107,855</u>	<u>(1,101,828)</u>
EXPENDITURES				
Current				
General government				
Administration				
Personnel services	79,308	79,308	59,222	20,086
Operating expenditures	<u>301,847</u>	<u>301,847</u>	<u>339,133</u>	<u>(37,286)</u>
	381,155	381,155	398,355	(17,200)
Physical environment				
Field operations				
Operating expenditures	<u>254,600</u>	<u>254,600</u>	<u>248,178</u>	<u>6,422</u>
	254,600	254,600	248,178	6,422
Capital outlay	-	-	-	-
Debt service:				
Principal reduction	311,917	311,917	311,917	-
Interest and fiscal charges	9,001	9,001	9,001	-
Prior year carryforward (out)	<u>1,164,947</u>	<u>1,253,010</u>	<u>-</u>	<u>1,253,010</u>
TOTAL EXPENDITURES	<u>2,121,620</u>	<u>2,209,683</u>	<u>967,451</u>	<u>1,242,232</u>
OTHER FINANCING SOURCES				
Proceeds from issuance of note payable	-	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	140,404	<u>\$ 140,404</u>
FUND BALANCE - BEGINNING			<u>1,086,380</u>	
FUND BALANCE - ENDING			<u>\$ 1,226,784</u>	

The accompanying notes are an integral part of this statement.

SAN CARLOS ESTATES WATER CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND
ACTUAL - GENERAL FUND - DETAILED STATEMENT
Year Ended September 30, 2024

Page 30 of 38

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
General maintenance taxes	\$ 617,834	\$ 617,834	\$ 603,670	\$ (14,164)
Phase I assessment	340,138	340,138	336,702	(3,436)
Phase II assessment	86,393	86,393	24,001	(62,392)
Use and connection fees	6,000	6,000	24,875	18,875
Interest income	49,188	49,188	61,042	11,854
Miscellaneous income	23,750	23,750	57,565	33,815
Prior year budgeted carryforward	998,317	1,086,380	-	(1,086,380)
TOTAL REVENUES	2,121,620	2,209,683	1,107,855	(1,101,828)
EXPENDITURES				
Current				
General government				
Administration				
Personnel services				
Salaries/wages	79,308	79,308	52,630	26,678
Payroll taxes	-	-	4,492	(4,492)
Supervisor compensation	-	-	2,100	(2,100)
TOTAL - GENERAL GOVERNMENT				
PERSONNEL SERVICES	79,308	79,308	59,222	20,086
Operating expenditures				
Phase I Tax Collector Comm & Discounts	14,328	14,328	10,613	3,715
General Maintenance Tax Comm & Discounts	29,608	29,608	10,410	19,198
Auditor	14,000	14,000	23,548	(9,548)
Bank and other fees	3,120	3,120	4,060	(940)
Engineer	140,459	140,459	167,366	(26,907)
Legal fees	52,000	52,000	63,245	(11,245)
Other professional	-	-	1,257	(1,257)
Office including utilities, rent, website	-	-	23,025	(23,025)
Insurance	14,620	14,620	14,620	-
Property appraiser fees	8,232	8,232	6,168	2,064
Secretary/treasurer	-	-	14,261	(14,261)
Miscellaneous	25,480	25,480	560	24,920
TOTAL - ADMINISTRATION				
OPERATING EXPENDITURES	301,847	301,847	339,133	(37,286)
TOTAL ADMINISTRATION				
CARRIED FORWARD	381,155	381,155	398,355	(17,200)

The accompanying notes are an integral part of this statement.

SAN CARLOS ESTATES WATER CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND
ACTUAL - GENERAL FUND - DETAILED STATEMENT, CONTINUED
Year Ended September 30, 2023

Page 31 of 38

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES, CONTINUED				
TOTAL ADMINISTRATION				
BROUGHT FORWARD	381,155	381,155	398,355	(17,200)
Physical environment				
Field operations				
Operating expenditures				
Swale mowing	124,800	124,800	119,700	5,100
Gate	8,200	8,200	16,366	(8,166)
Drainage	106,000	106,000	101,750	4,250
Roads	15,600	15,600	10,362	5,238
TOTAL - FIELD OPERATIONS	254,600	254,600	248,178	6,422
Capital outlay	-	-	-	-
Debt service:				
Principal reduction	311,917	311,917	311,917	-
Interest and fiscal charges	9,001	9,001	9,001	-
Prior year budgeted carryforward (out)	1,164,947	1,253,010	-	1,253,010
	1,485,865	1,573,928	320,918	1,253,010
TOTAL EXPENDITURES	2,121,620	2,209,683	967,451	1,242,232
OTHER FINANCING SOURCES				
Proceeds from issuance of note payable	-	-	-	-
TOTAL OTHER FINANCING SOURCES	-	-	-	-
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	\$ -	\$ -	140,404	\$ 140,404
FUND BALANCE - BEGINNING			1,086,380	
FUND BALANCE - ENDING			\$ 1,226,784	

The accompanying notes are an integral part of this statement.

ADDITIONAL REPORTS

HSC/Tuscan & Company, PA

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Page 32 of 38

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL
CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF BASIC
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Board of Supervisors
San Carlos Estates Water Control District
P.O. Box 367807
Bonita Springs, Florida 34136

We have audited, 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 of America, the basic financial statements of the governmental activities and the major fund of San Carlos Estates Water Control District (the "District") as of and for the year ended September 30, 2024, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents and have issued our report thereon dated April 4, 2025.

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) as a basis for designing 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

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material misstatement of the basic 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, as defined previously. However, material weaknesses may exist that have not been identified.

We did, however, note certain other matters that we have reported in our Independent Auditor's Report to Management dated April 4, 2025.

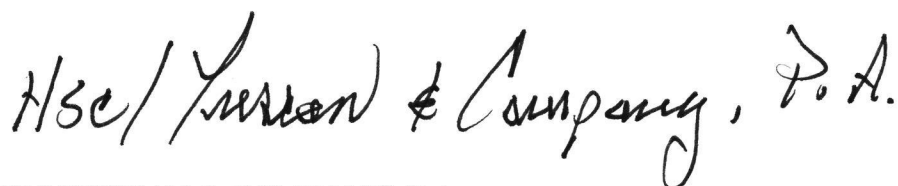
Compliance and Other Matters

As part of obtaining reasonable assurance about whether San Carlos Estates Water Control District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards.

See matters noted in our Independent Auditor's Report to Management dated April 4, 2025.

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "HSC/Tuscan & Company, P.A." The signature is written in a cursive, flowing style.

HSC/TUSCAN & COMPANY, P.A.
Fort Myers, Florida
April 4, 2025

HSC/Tuscan & Company, PA

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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

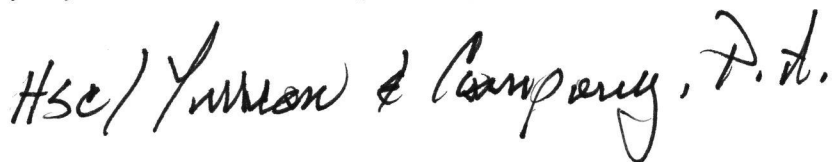
Board of Supervisors
San Carlos Estates Water Control District
P.O. Box 367807
Bonita Springs, Florida 34136

We have examined San Carlos Estates Water Control District's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2024. Management is responsible for San Carlos Estates Water Control District's compliance with those requirements. Our responsibility is to express an opinion on San Carlos Estates Water Control 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 San Carlos Estates Water Control 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 San Carlos Estates Water Control District's compliance with specified requirements.

In our opinion, San Carlos Estates Water Control District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2024.

This report is intended solely for the information and use of the San Carlos Estates Water Control 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.



HSC/TUSCAN & COMPANY, P.A.
Fort Myers, Florida
April 4, 2025

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Page 35 of 38

INDEPENDENT AUDITOR'S REPORT TO MANAGEMENT

Board of Supervisors
San Carlos Estates Water Control District
P.O. Box 367807
Bonita Springs, Florida 34136

We have audited the accompanying basic financial statements of San Carlos Estates Water Control District (the "District") as of and for the year ended September 30, 2024, and have issued our report thereon dated April 4, 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 are dated April 4, 2025, 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 includes the following information, which is not included in the aforementioned auditor's reports:

- 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. The current status of each financially significant prior year comment is herein.
- 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.

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- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have 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 District 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 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(7), Rules of the Auditor General, we have applied financial condition assessment procedures. 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. In connection with our audit, we determined that the District 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 special district 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 special districts required to report within these financial statements.
- Pursuant to Section 10.554(1)(i)7, Rules of the Auditor General, requires disclosure of certain unaudited data. See Exhibit 2.
- Pursuant to Section 10.554(1)(i)8, Rules of the Auditor General, requires an independent special district that imposes a valorem taxes to disclose certain related unaudited data. See Exhibit 2.

- Pursuant to Section 10.554(1)9, Rules of the Auditor General, requires an independent special district that imposes a non-ad valorem special assessment to disclose certain unaudited data. See Exhibit 2.
- 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 District complied with Section 218.415, Florida Statutes as reported in our Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes dated April 4, 2025, included herein.

PRIOR YEAR COMMENTS THAT CONTINUE TO APPLY:

2023-1 Public Depository Form not Filed

The form DFS-J1-1009 Public Depositor is required to be filed by November 30th each year per F.S. 280.17. Tuscan & Company, P.A. contacted the State of Florida Department of Financial Services, Division of Treasury, Bureau of Collateral Management to confirm if the form was timely filed. The State confirmed it was not filed.

We recommend a system or checklist be formed to ensure all required filing is timely performed. Upon notifying the District of the issue, this form was signed by the District Manager and filed by Tuscan & Company, P.A. for 2023.

2024 Addendum

The District prepared and filed the form DFS-J1-1009 Public Depositor within the required deadline. This comment is considered resolved.

CURRENT YEAR COMMENTS:

2024-1 Inconsistencies in Having Invoices Indicate Proper Approval

During the audit, we noted that not every invoice showed proper approval by Board members. It should be noted though, that all checks are signed by the Board.

We recommend that the all invoices show such approval on a consistent basis to better track payments and invoices. Also, we recommend these invoices be stapled to the check copies, filed and maintained in a chronological order or uploaded to QuickBooks online to easily retrieve information when needed.

2024-2 Contracts or Agreements are Not Signed by All Parties, Filed or Maintained in a Secure Area

During the audit, we noted that an Independent contractor agreement was only signed by the contractor (and not by all parties involved in the agreement).

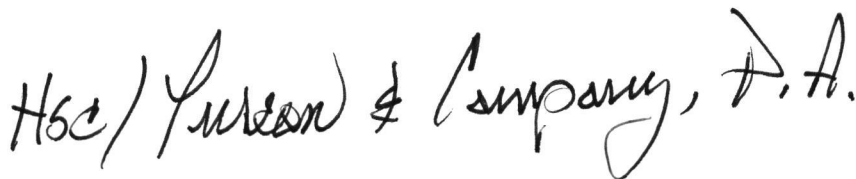
We recommend that the all agreements be signed by all parties involved.

2024-3 The District Should Maintain and Update their Website Frequently

During the audit, we noted that the District's website did not include the minimum requirements per Florida Statute 189.069(2)(a). The requirements that were not included in the website were the minutes to all Board meetings held during the two most recent years (missing minutes for the September 28/24 and October 21/24 meetings), and a listing of all taxes, fees, assessments or charges imposed (& collected) by the special district -- including the rates or amounts and the statutory authority of the levy of the tax, fee, assessment or charge.

We recommend that the District monitor and update the District's website regularly.

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 Board of Commissioners, 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.

A handwritten signature in black ink that reads "HSC/Tuscan & Company, P.A." The signature is written in a cursive, flowing style.

HSC/TUSCAN & COMPANY, P.A.

Fort Myers, Florida

April 4, 2025

EXHIBIT 1

PO Box 367807
Bonita Springs, FL 34136

January 31, 2025

Mr. Jeff Tuscan
HSC/Tuscan & Company, P.A.
1470 Royal Palm Square Blvd.
Fort Myers, FL 33919

Re: San Carlos Estates Water Control District
2023-2024 Financial Audit Report
Responses

Dear Mr. Tuscan:

In response to the Current Year Comments for the 2023-2024 Financial Audit Report:

Prior Year Comments:

2024-1 Inconsistencies in Having Invoices Indicate Proper Approval

During the audit, we noted that not every invoice showed proper approval by board members. We recommend that the all invoices show such approval on a consistent basis to better track payments and invoices. Also, we recommend these invoices be stapled to the check copies, filed and maintained in a chronological order or uploaded to QuickBooks online to easily retrieve information when needed.

The Prior year comment has been resolved.

2024-2 Contracts or Agreements are Not Signed by All Parties, Filed or Maintained in a Secure Area

During the audit, we noted that an Independent contractor agreement was only signed by the contractor (and not by all parties involved in the agreement). We recommend that the all agreements be signed by all parties involved.

The prior year comment has been resolved.

2024-3 The District Should Maintain and Update their Website Frequently

During the audit, we noted that the District's website did not include the minimum requirements per Florida Statute 189.069(2)(a). The requirements that were not included in the website were the minutes to all Board meetings held during the two most recent years (missing minutes for the September 28/24 and October 21/24 meetings), and a listing of all taxes, fees, assessments or charges imposed (& collected) by the special district --

including the rates or amounts and the statutory authority of the levy of the tax, fee, assessment or charge. We recommend that the District monitor and update the District's website regularly.

The prior year comment has been resolved.

Should you wish to discuss any of these responses or have additional recommendations, please do not hesitate to contact me or the Board of Supervisors.

Respectfully,

A handwritten signature in black ink, appearing to read "John H. Cellucci". The signature is fluid and cursive, with a large initial "J" and "C".

John Cellucci

May 30th, 2025

Manager/Superintendent of Operations

EXHIBIT 2

**UNAUDITED
COMPLIANCE WITH REPORTING REQUIRED BY:**

Auditor General Rule 10.554(1)(i)6

For a dependent special district or an independent special district, or a local government entity that includes the information of a dependent special district as provided in Section 218.39(3)(a), Florida Statutes, the following specific information provided by management (with explanatory verbiage that the auditor provides no assurance on the information):

- a. The total number of district employees compensated in the last pay period of the district's fiscal year being reported (see information required in Section 218.32(1)(e)2.a., Florida Statutes). One (1)
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year being reported (see information required in Section 218.32(1)(e)2.b., Florida Statutes). Fourteen (14)
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency (see information required in Section 218.32(1)(e)2.c., Florida Statutes). (Total wage compensation for the fiscal year being audited) \$52,630
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency (see information required in Section 218.32(1)(e)2.d., Florida Statutes). (Amounts paid that would be reported on a Form 1099 for FYE) \$370,739
- e. Each construction project with a total cost of at least \$65,000 approved by the district that was scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project (see information required in Section 218.32(1)(e)2.e., Florida Statutes).
None
- f. A budget variance report based on the budget adopted under section 189.016(4), Florida Statutes, before the beginning of the fiscal year reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes (see information required in Section 218.32(1)(e)3., Florida Statutes). If there were amendments then include budget variance (original budget vs. actual at FYE). See attached page 3.

Auditor General Rule 10.554(1)(i)7

For an independent special district that imposes ad valorem taxes, the following specific information provided by management (with explanatory verbiage that the auditor provides no assurance on the information): (see information required in Section 218.32(1)(e)4., Florida Statutes).

- a. The millage rate or rates imposed by the District. N/A
- b. The current year gross amount of ad valorem taxes collected by or on behalf of the district. N/A
- c. The total amount of outstanding bonds issued by the district and terms of such bonds. N/A

Auditor General Rule 10.554(1)(i)8

For an independent special district that imposes non-ad valorem special assessments, the following specific information provided by management (with explanatory verbiage that the auditor provides no assurance on the information): (see information required in Section 218.32(1)(e)5., Florida Statutes).

- a. The rate or rated of such assessment imposed by the District. \$570.53 per acre
- b. The total amount of special assessments collected by or on behalf of the District.
Maintenance assessment: \$603,670
Phase I net assessments collected: \$336,702
Phase II net assessments collected: \$24,001
- c. The total amount of outstanding bonds issued by the District and the terms of such bonds. \$ -

SAN CARLOS ESTATES WATER CONTROL DISTRICT
ORIGINAL BUDGET vs. ACTUAL COMPARISON REPORT - UNAUDITED -
GENERAL FUND
Year Ended September 30, 2024

Page 3

General Fund			
	Original Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
General maintenance taxes	\$ 617,834	\$ 603,670	\$ (14,164)
Phase I assessment	340,138	336,702	(3,436)
Phase II assessment	86,393	24,001	(62,392)
Use and connection fees	6,000	24,875	18,875
Interest income	49,188	61,042	11,854
Miscellaneous income	23,750	57,565	33,815
Prior year budgeted carryforward	998,317	-	(998,317)
TOTAL REVENUES	<u>2,121,620</u>	<u>1,107,855</u>	<u>(1,013,765)</u>
EXPENDITURES			
Current			
General government			
Administration			
Personnel services	79,308	59,222	20,086
Operating expenditures	<u>301,847</u>	<u>339,133</u>	<u>(37,286)</u>
	381,155	398,355	(17,200)
Physical environment			
Field operations			
Operating expenditures	<u>254,600</u>	<u>248,178</u>	<u>6,422</u>
	254,600	248,178	6,422
Capital outlay	-	-	-
Debt service:			
Principal reduction	311,917	311,917	-
Interest and fiscal charges	<u>9,001</u>	<u>9,001</u>	<u>-</u>
TOTAL EXPENDITURES	<u>956,673</u>	<u>967,451</u>	<u>(10,778)</u>
OTHER FINANCING SOURCES			
Proceeds from issuance of note payable	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>-</u>
PRIOR YEAR CARRYFORWARD (OUT)	<u>1,164,947</u>	<u>-</u>	<u>1,164,947</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)			
EXPENDITURES	<u>\$ -</u>	<u>140,404</u>	<u>\$ 140,404</u>
FUND BALANCE - BEGINNING		<u>1,086,380</u>	
FUND BALANCE - ENDING		<u>\$ 1,226,784</u>	

The accompanying notes are an integral part of this statement.