



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Board of Supervisors
Englewood Water District
Englewood, Florida

Report on the Financial Statements

We have audited the financial statements of the Englewood Water District (the "District") as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated February 24, 2022.

Auditor's Responsibility

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

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards; Schedule of Findings and Responses; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 24, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations in the preceding annual financial report requiring correction.

Official Title and Legal District

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The District discloses this information in the notes to the financial statements. The District has no component units.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the District 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.c. and 10.556(8), Rules of the Auditor General, we 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.

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. In connection with our audit, we did not have any such recommendations.

Specific Information

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

- a. There were 78 employees compensated in the last pay period of the District's fiscal year.
- b. There were 3 independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year.
- c. Total compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency for the year was \$5,858,629.
- d. The compensation earned or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency for the year was \$1,850.
- e. There were 8 construction projects with a total cost of at least \$65,000 approved by the District that began on or after October 1 of the fiscal year being reported at a total cost of approximately \$2,685,000.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, is reflected below.

| Englewood Water District | | | |
|---------------------------------|--------------------|--------------------|-----------------|
| FY21 Budget vs Actual | | | |
| | FY21 Actual | FY21 Budget | Variance |
| Administration | 3,374,207 | 3,649,461 | 275,254 |
| Lab | 262,535 | 367,535 | 105,000 |
| Production | 2,183,632 | 2,468,165 | 284,533 |
| Distribution | 1,573,886 | 1,919,265 | 345,379 |
| WRF | 2,318,276 | 2,335,371 | 17,095 |
| Collections | 2,666,377 | 3,180,194 | 513,817 |
| Totals | 12,378,913 | 13,919,991 | 1,541,078 |
| Actual | 12,378,913 | | |
| Depreciation | 4,520,221 | | |
| Capital Outlay | (570,234) | | |
| Total GAAP Expenses | <u>16,328,900</u> | | |

Additional Matters

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

Purpose of this Letter

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

Mauldin & Jenkins, LLC

Bradenton, Florida
February 24, 2022