

**NORTH LAKES
MAINTENANCE DISTRICT**

Hillsborough County, Florida

for the year ended SEPTEMBER 30, 2021

FINANCIAL STATEMENTS

King & Walker, CPAs, PL

Certified Public Accountants

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NORTH LAKES MAINTENANCE DISTRICT

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Independent Auditor's Report

To the Board of Trustees, North Lakes Maintenance District,
Hillsborough County, Florida
Tampa, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the North Lakes Maintenance District (“District”), Hillsborough County, Florida, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

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.

Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District’s preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District, as of September 30, 2021, and the respective changes in financial position thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedule, and the Note to Required Supplementary Information, as listed on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historic context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2022 on our consideration of North Lakes Maintenance District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North Lakes Maintenance District's internal control over financial reporting and compliance.

Respectfully submitted,



March 29, 2022
Tampa, Florida

**NORTH LAKES MAINTENANCE DISTRICT
HILLSBOROUGH COUNTY, FLORIDA
Management's Discussion and Analysis - Unaudited**

As management of the North Lakes Maintenance District, (District), Hillsborough County, Florida, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2021.

Background

The North Lakes Maintenance District, (District), Hillsborough County, Florida, was created by Hillsborough County Ordinance #85-39, pursuant to Section 189.4041(4), Florida Statutes, in December 1985, for the purpose of continued development, administration and maintenance of the common areas of North Lakes, a subdivision in northwestern Hillsborough County, Florida.

The District is a special dependent tax district as defined in Section 189.403, Florida Statutes. The governing body of the District is the Board of Trustees, which is comprised of seven members. The general operating authority of the District is contained in Section 189.404, Florida Statutes.

Financial Highlights

- The assets of the District exceeded its liabilities (net position) at the close of the most recent fiscal year by \$86,054.
- The District's total net position increased by \$8,119 from the prior fiscal year.
- Revenues from tax assessments remained materially unchanged from the prior fiscal year.
- The District's total general operating expenditures decreased by \$16,475 during the current fiscal year primarily due a decrease in repairs and maintenance expenses.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

Government-Wide Financial Statements Reporting the District as a Whole.

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The government-wide financial statements can be found on the pages that follow.

**NORTH LAKES MAINTENANCE DISTRICT
HILLSBOROUGH COUNTY, FLORIDA
Management's Discussion and Analysis - Unaudited**

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are governmental funds.

Governmental Funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District adopts an annual appropriated budget for its special revenue fund. A budgetary comparison statement has been provided for the special revenue fund to demonstrate compliance with this budget.

The basic government fund financial statements can be found on the pages that follow.

Notes to the Financial Statements

The notes provide additional information that is essential to full understanding of the data provide in the government-wide and fund financial statements. The notes to the financial statements can be found following the government-wide financial statements.

**NORTH LAKES MAINTENANCE DISTRICT
HILLSBOROUGH COUNTY, FLORIDA
Management's Discussion and Analysis - Unaudited**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following is a summary of the District's net position as of September 30, 2020 and 2021:

	Net Position, End of Year		
	<u>Governmental Activities</u>		
	<u>9-30-20</u>	<u>9-30-21</u>	<u>Increase (Decrease)</u>
ASSETS			
Current Assets	\$ 26,013	\$ 34,677	\$ 8,664
Net Capital Assets	51,922	51,377	(545)
Total Assets	<u>77,935</u>	<u>86,054</u>	<u>8,119</u>
LIABILITIES			
Current Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS			
Net Investment in Capital Assets	51,922	51,377	(545)
Restricted	26,013	34,677	8,664
Total Net Position	<u>\$ 77,935</u>	<u>\$ 86,054</u>	<u>\$ 8,119</u>

NORTH LAKES MAINTENANCE DISTRICT
HILLSBOROUGH COUNTY, FLORIDA
Management's Discussion and Analysis - Unaudited

The key elements of the changes in the District's net position for the fiscal years ended September 30, 2020 and 2021 are as follows:

	Operating Results for the Year		
	<u>Governmental Activities</u>		
	<u>9-30-20</u>	<u>9-30-21</u>	<u>Increase (Decrease)</u>
Revenues:			
Non-ad valorem Taxes	\$ 51,433	\$ 51,432	\$ (1)
Interest & Other	8,832	5	(8,827)
Total Revenues	<u>60,265</u>	<u>51,437</u>	<u>(8,828)</u>
Expenses:			
Current Operations - Environment:			
Professional Fees	12,000	12,000	-
Accounting & Auditing	2,500	2,500	-
Contractual Services	5,700	-	(5,700)
Communication Services	1,081	1,691	610
Utilities	3,754	1,804	(1,950)
Insurance	100	100	-
Repairs and Maintenance	32,487	23,046	(9,441)
Other Charges & Fees	600	602	2
Office Supplies	6	9	3
Tax Collector Fees	1,020	1,021	1
Depreciation	545	545	-
Total Expenses	<u>59,793</u>	<u>43,318</u>	<u>(16,475)</u>
Increase/(Decrease) in Net Position	<u>\$ 472</u>	<u>\$ 8,119</u>	<u>\$ 7,647</u>

Other Information

Required supplementary information is required by the Governmental Accounting Standards Board and includes reports on internal control, compliance with laws and regulations, and budgeting comparisons. These reports are also an integral part of the audited financial statements.

**NORTH LAKES MAINTENANCE DISTRICT
HILLSBOROUGH COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

	Governmental Activities
ASSETS	
Cash	\$ 34,677
Net Capital Assets	51,377
Total Assets	86,054
 LIABILITIES	
Accounts Payable	-
Total Liabilities	-
 NET POSITION	
Net Investment in Capital Assets	51,377
Restricted	34,677
Total Net Position	\$ 86,054

The accompanying notes are an integral part of the basic financial statements.

**NORTH LAKES MAINTENANCE DISTRICT
HILLSBOROUGH COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Expenses	Program Revenues	Net Revenue/ (Expense) and Change in Net Position <u>Governmental</u> <u>Activities</u>
Functions/Programs:			
Governmental Activities:			
Environmental	\$ 43,318	\$ -	\$ (43,318)
 General Revenues			
Taxes:			
Property			51,432
Interest			5
Total General Revenues			51,437
Change in Net Position			8,119
Net Position - Beginning			77,935
Net Position - Ending			\$ 86,054

The accompany notes are an integral part of the basic financial statements.

**NORTH LAKES MAINTENANCE DISTRICT
HILLSBOROUGH COUNTY, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUND
SEPTEMBER 30, 2021**

	Special Revenue Fund
ASSETS	
Cash	\$ 34,677
Total Assets	\$ 34,677
 LIABILITIES	
Accounts Payable	\$ -
Total Liabilities	-
 FUND BALANCE	
Restricted	34,677
Total Fund Balance	34,677
Total Liabilities and Fund Balance	\$ 34,677
 RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET POSITION OF GOVERNMENTAL ACTIVITIES:	
Total Fund Balance - Governmental Fund	\$ 34,677
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 as assets in governmental funds.	51,377
Total Net Position - Governmental Activities	\$ 86,054

The accompanying notes are an integral part of the basic financial statements.

**NORTH LAKES MAINTENANCE DISTRICT
HILLSBOROUGH COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - GOVERNMENTAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Special Revenue Fund</u>
REVENUES	
Non-ad valorem taxes	\$ 51,432
Interest	5
Total Revenues	<u>51,437</u>
EXPENDITURES	
Current Operations - Environment:	
Professional Services	12,000
Accounting & Auditing	2,500
Communication	1,691
Utilities	1,804
Insurance	100
Repairs and Maintenance	23,046
Other Charges & Fees	602
Office Supplies	9
Tax Collector Fees	1,021
Total Expenditures	<u>42,773</u>
Net Change in Fund Balance	8,664
Fund Balance - Beginning	26,013
Fund Balance - Ending	<u>\$ 34,677</u>

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

Net Change in Fund Balance - Total Governmental Fund	\$ 8,664
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in the governmental fund as expenditures. However, in the statement of activities, the cost of assets is allocated over their estimated useful lives as depreciation expense.	
Depreciation Expense	(545)
	<u>(545)</u>
Change in Net Position - Governmental Activities	<u>\$ 8,119</u>

The accompanying notes are an integral part of the basic financial statements.

**NORTH LAKES MAINTENANCE DISTRICT
HILLSBOROUGH COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The North Lakes Maintenance District, (District), Hillsborough County, Florida, was created by Hillsborough County Ordinance #85-39, pursuant to Section 189.4041(4), Florida Statutes, in December 1985, for the purpose of continued development, administration and maintenance of the common areas of North Lakes, a subdivision in northwestern Hillsborough County, Florida.

The District is a special dependent tax district as defined in Section 189.403, Florida Statutes. The governing body of the District is the Board of Trustees, which is comprised of seven elected members who serve four-year terms of office. The general operating authority of the District is contained in Section 189.404, Florida Statutes.

Criteria for defining the reporting entity are identified and described in the Governmental Accounting Standards Board's (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Sections 2800 and 2600. These criteria were used to evaluate potential component units for which the District is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's basic financial statements to be misleading or incomplete. Based on the application of these criteria, no component units are included within the reporting entity of the District.

Basis of Presentation

Government-wide Financial Statements – The government-wide financial statements, including the statement of net position and statement of activities, present information about the District as a whole.

The government-wide financial statements are prepared using the economic resources measurement focus. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented to better identify the relationship between the two types of statements.

The District operated one fund as follows:

GOVERNMENTAL FUND TYPE – Special Revenue Fund - to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

**NORTH LAKES MAINTENANCE DISTRICT
HILLSBOROUGH COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

Basis of Accounting

Basis of accounting refers to when revenues and 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 prepared using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year which they are levied.

The governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues to be available if they are collected within 30 days of the end of the current fiscal year.

Cash and Cash Equivalents

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by Federal depository insurance and collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes. The District considers amounts invested in the State Board of Administration (SBA) Florida PRIME investment pools to be cash equivalents.

Capital Assets

The accounting and reporting treatment applied to the land improvements associated with a fund is determined by its measurement focus. Land improvements are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental fund financial statements and capitalized in the government-wide financial statements. Capital assets are defined by the District as those costing more than \$1,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

In accordance with GASB 34, the new statement implemented by the District as of October 1, 2001, the District is required to report and depreciate all new land improvements from this date forward.

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

<u>Description</u>	<u>Estimated Lives</u>
Sign	15 years

NORTH LAKES MAINTENANCE DISTRICT
HILLSBOROUGH COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until then. The District does not have any items that qualify for reporting in this category.

Net Position and Fund Balance Classification

Government-wide Financial Statements

Net position is classified and reported in three components:

- Net Investment in Capital Assets – consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowings that are attributed to the acquisition or improvement of those assets.
- Restricted Net Position – consists of net position with constraints placed on their use either by external groups such as creditors, contributors, or laws or regulations of other governments.
- Unrestricted Net Position – all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Fund Financial Statements

GASB Codification Section 1800.142, *Fund Balance Reporting and Governmental Fund Type Definitions*, defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be reported within one of the following fund balance categories:

- Nonspendable – fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned). All nonspendable fund balances at year end relate to assets that are in nonspendable form.
- Restricted – fund balance that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.
- Committed – fund balance that can be used only for the specific purposes determined by a formal action of the District’s Board of Governance.

**NORTH LAKES MAINTENANCE DISTRICT
HILLSBOROUGH COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

- Assigned – fund balance that is intended to be used by the District’s management for specific purposes but does not meet the criteria to be classified as restricted or committed.
- Unassigned – fund balance that is the residual amount for the District’s general fund and includes all spendable amounts not contained in the other classifications.

Revenue Sources

The District’s primary source of revenue is a tax assessed in the North Lakes Maintenance District Subdivision on all improved residential parcels. The District is authorized to levy a non-ad valorem tax up to \$70 on each improved residential parcel of property located within the District. Property taxes are recognized in the fiscal year when they become measurable and available. The taxes are collected by Hillsborough County and remitted to the District net of an early payment discount (4% starting in November and gradually decreasing by 1% per month until March) and net of a 2% fee retained by the Tax Collector. The District approved an assessment of \$70 per improved parcel for the fiscal year.

Estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated all events subsequent to the balance sheet date and through the report date, which is the date these financial statements were available to be issued. Management determined there are no subsequent events which require disclosure.

NOTE 2: CASH DEPOSITS

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the District’s deposits may not be returned to the District. The District does not have a custodial credit risk policy. All cash deposits are held in banks that qualify as public depositories under Florida law. All such deposits are insured by federal depository insurance and/or collateralized with securities held in Florida’s multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

**NORTH LAKES MAINTENANCE DISTRICT
HILLSBOROUGH COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 3: CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated:				
Land Improvements	\$ 44,560	\$ -	\$ -	\$ 44,560
Total Capital Assets Not Being Depreciated	<u>44,560</u>	<u>-</u>	<u>-</u>	<u>44,560</u>
Capital Assets Being Depreciated:				
Signage	8,180	-	-	8,180
Total Capital Assets	<u>8,180</u>	<u>-</u>	<u>-</u>	<u>8,180</u>
Less Accumulated Depreciation for:				
Signage	(818)	(545)	-	(1,363)
Total Accumulated Depreciation	<u>(818)</u>	<u>(545)</u>	<u>-</u>	<u>(1,363)</u>
Total Capital Assets Being Depreciated, Net	<u>7,362</u>	<u>(545)</u>	<u>-</u>	<u>6,817</u>
Governmental Activities Capital Assets, Net	<u>\$ 51,922</u>	<u>\$ (545)</u>	<u>\$ -</u>	<u>\$ 51,377</u>

NOTE 4: REVENUE

The 2020 tax roll assessments for the North Lakes Maintenance District were as follows:

	<u>Amount</u>
Non-ad Valorem Taxes Assessed	\$ 52,920
Excess Fees and Interest	448
<i>Less: Discounts and unpaid taxes</i>	<u>(1,936)</u>
Total Non-ad Valorem Tax Revenue	<u>51,432</u>
<i>Less: Tax Collector Fees</i>	<u>(1,021)</u>
Total Remittances to the District	<u>\$ 50,411</u>

REQUIRED SUPPLEMENTARY INFORMATION

**NORTH LAKES MAINTENANCE DISTRICT
HILLSBOROUGH COUNTY, FLORIDA
BUDGETARY COMPARISON STATEMENT - GOVERNMENTAL FUND - Unaudited
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Original/ Final Budget	Actual	Variance with Final Budget Positive/ (Negative)
REVENUES			
Non-ad valorem Taxes	\$ 50,274	\$ 51,432	\$ 1,158
Interest	5	5	-
Total Revenues	<u>50,279</u>	<u>51,437</u>	<u>1,158</u>
EXPENDITURES			
Professional Services	12,000	12,000	-
Accounting & Auditing	3,000	2,500	500
Communication	7,200	1,691	5,509
Utilities	7,800	1,804	5,996
Insurance	150	100	50
Repairs and Maintenance	38,800	23,046	15,754
Other Charges & Fees	2,426	602	1,824
Office Supplies	300	9	291
Tax Collector Fees	2,117	1,021	1,096
Total Expenditures	<u>73,793</u>	<u>42,773</u>	<u>31,020</u>
Net Change in Fund Balance	(23,514)	8,664	32,178
Fund Balance - Beginning	<u>23,514</u>	<u>26,013</u>	<u>2,499</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 34,677</u>	<u>34,677</u>

See Independent Auditor's Report.

**NORTH LAKES MAINTENANCE DISTRICT
HILLSBOROUGH COUNTY, FLORIDA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2021**

NOTE 1: BUDGETARY BASIS OF ACCOUNTING

The District prepares and adopts a budget for the Special Revenue Fund for the fiscal year commencing October 1 in accordance with Section 189.418(3), Florida Statutes. The operating budget is prepared on the accrual basis of accounting and presented as required supplementary information.

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*

To the Board of Trustees, North Lakes Maintenance District,
Hillsborough County, Florida
Tampa, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of North Lakes Maintenance District ("District"), Hillsborough County, Florida, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 29, 2022.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Respectfully submitted,

Handwritten signature in black ink that reads "King & Walker, CPAs". The signature is written in a cursive, flowing style.

March 29, 2022
Tampa, Florida

Independent Auditor's Management Letter

To the Board of Trustees, North Lakes Maintenance District,
Hillsborough County, Florida
Tampa, Florida

Report on the Financial Statements

We have audited the financial statements of the North Lakes Maintenance District (“District”), Hillsborough County, Florida, as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated March 29, 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 Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedule, which are dated March 29, 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 financial audit report. The District did not have findings and recommendations made in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The North Lakes Maintenance District was established by Hillsborough County Ordinance #85-39, pursuant to Section 189.4041(4), Florida Statutes, in December 1985, for the purpose of continued development, administration and maintenance of the common areas of North Lakes. The District does not have any component units.

Financial Condition and Management

Section 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 to identify the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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

Special District Component Units

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

Specific Information

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

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as zero.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as one.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as zero.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency \$12,000.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as none.

A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as shown on page 16.

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 have any such findings.

As required by the Rules of the Auditor General (Section 10.556(10)(a)), the scope of our audit included a determination that the District's investment policies complied with the requirements of Section 218.415, Florida Statutes.

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, Hillsborough County, Florida, the Board of Trustees, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in black ink that reads "King & Walker, CPAs". The signature is written in a cursive, flowing style.

March 29, 2022
Tampa, Florida