

COW SLOUGH WATER
CONTROL DISTRICT

SEPTEMBER 30, 2023

FINANCIAL STATEMENTS
TOGETHER WITH REPORTS OF INDEPENDENT AUDITORS

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Independent Auditor's Report

Board of Supervisors
Cow Slough Water Control District
LaBelle, Florida

We have audited the accompanying financial statements of the governmental activities of the Cow Slough Water Control District (the "District"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the District as of September 30, 2023, 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.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and budgetary comparison information to be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

Required Supplementary Information, continued

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in consideration the District's internal control over financial reporting and compliance.

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
June 14, 2024

**Cow Slough Water Control District
Management Discussion and Analysis
September 30, 2023**

Our discussion and analysis of Cow Slough Water Control District (the "District") provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 2023.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the 2023 fiscal year by \$148,294. Of this amount, \$77,502 (unrestricted net position) may be used to meet the District's ongoing operations.

- The District's total net position increased by \$3,959.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

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

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. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. unused vacation leave).

The government-wide financial statements includes all governmental activities that are principally supported by special assessment revenues. The District does not have any business-type activities. The governmental activities of the District includes the general government (management) and water control functions.

**Cow Slough Water Control District
Management Discussion and Analysis
September 30, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS, CONTINUED

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 financial-related legal requirements. The District has one fund category: governmental fund.

Governmental Funds

Governmental funds are funds used to account for essentially the same functions reported as governmental activities in the governmental-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows 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 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 statements. By doing so, readers may better understand the long-term impact of the District'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 maintains one governmental fund for external reporting. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and in the changes in fund balance.

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

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Cow Slough Water Control District
Management Discussion and Analysis
September 30, 2023**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Assets exceeded liabilities by \$148,294 for the fiscal year ended September 30, 2023. The largest assets include cash and capital assets which are approximately 53.2% and 46.6% of the District's total assets, respectively.

The District uses capital assets to provide services to its landowners, therefore these assets are not available for future spending. The remaining unrestricted net position, \$77,502, may be used to meet the District's ongoing operations.

The following is a condensed summary of net position for the fiscal year 2023 and 2022:

Summary of Net Position
September 30,

| | 2023 | 2022 |
|---|------------|------------|
| ASSETS | | |
| Current and other assets | \$ 81,233 | \$ 72,024 |
| Capital assets | 70,792 | 74,696 |
| Total assets | 152,025 | 146,720 |
| LIABILITIES | | |
| Current liabilities | 3,731 | 2,385 |
| Total liabilities | 3,731 | 2,385 |
| NET POSITION | | |
| Investment in capital assets, net of related debt | 70,792 | 74,696 |
| Unrestricted (deficit) | 77,502 | 69,639 |
| Total net position | \$ 148,294 | \$ 144,335 |

**Cow Slough Water Control District
Management Discussion and Analysis
September 30, 2023**

GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED

The following schedule reports the revenues, expenses, and changes in net position for the District for fiscal years 2023 and 2022:

| | Change in Net Position Years ended September 30, | |
|----------------------------------|---|------------|
| | 2023 | 2022 |
| REVENUES: | | |
| General Revenues: | | |
| Assessment revenue | \$ 50,562 | \$ 50,031 |
| Interest income | 3,577 | 326 |
| Total revenues | 54,139 | 50,357 |
| EXPENSES | | |
| Governmental Activities | | |
| Physical environment | 50,180 | 61,096 |
| Total expenses | 50,180 | 61,096 |
| Change in net position | 3,959 | (10,739) |
| Net position - beginning of year | 144,335 | 155,074 |
| Net position - end of year | \$ 148,294 | \$ 144,335 |

In comparison to the prior year, revenue increased \$3,782 or 7.5%. This is due primarily to a \$3,251 increase in interest income.

In comparison to the prior year, expenses decreased \$10,916 or 17.9% as there was a major erosion repair project that were completed in fiscal year 2022.

**Cow Slough Water Control District
Management Discussion and Analysis
September 30, 2023**

BUDGETARY HIGHLIGHTS

The District adopts an annual budget for its General Fund, with an assessment rate of \$6.00 per acre, which is the same assessment rate as the prior fiscal year. Budget versus actual comparisons are reported on page 22. The General Fund difference between the final budgeted expenditures and actual expenditures represents a favorable variance of \$45,480 or 49.6%.

CAPITAL ASSETS

The following is a schedule of the District's capital assets as of September 30, 2023 and 2022:

| | 2023 | 2022 |
|---|-----------|-----------|
| Capital Assets September 30, 2023 and 2022 | | |
| CAPITAL ASSETS | | |
| Capital assets, being depreciated | | |
| Office furniture | \$ 2,201 | \$ 2,201 |
| Outfall structure | 69,649 | 69,649 |
| Culverts | 43,185 | 43,185 |
| Total capital assets, being depreciated | 115,035 | 115,035 |
| Accumulated depreciation | | |
| Office furniture | (2,201) | (2,197) |
| Outfall structure | (24,957) | (23,216) |
| Culverts | (17,085) | (14,926) |
| Total accumulated depreciation | (44,243) | (40,339) |
| Capital assets, net | \$ 70,792 | \$ 74,696 |

Additional information on the District's capital assets can be found in Note 5.

DEBT ADMINISTRATION

The District had no long term debt as of September 30, 2023 or 2022.

**Cow Slough Water Control District
Management Discussion and Analysis
September 30, 2023**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The following factors were considered when next year's budget (2023-2024) was adopted:

- Property assessments increased from \$6.00 per acre to \$7.00 per acre for the year ended September 30, 2024.
- The District will collect \$60,930 in assessment revenue, an increase of \$10,368 over the 2022-2023 fiscal year.
- The District's Board of Supervisors approved a \$73,298 expenditures budget for the 2023-2024 fiscal year, an decrease of \$18,458 over the prior year's budget.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for the District's residents and creditors. Questions concerning this report or requests for additional financial information should be directed to the District's Administrator: LaBelle CPA; 14 W. Washington Ave, LaBelle, FL 33935, (863)675-3903.

BASIC
FINANCIAL STATEMENTS

Cow Slough Water Control District
Statement of Net Position
September 30, 2023

ASSETS

Current assets:

| | |
|----------------------------|-----------|
| Cash and cash equivalents | \$ 80,862 |
| Due from other governments | 371 |
| Total current assets | 81,233 |

Noncurrent assets:

Capital assets:

| | |
|--|---------|
| Capital assets being depreciated (net of \$44,243 accumulated depreciation) | 70,792 |
| Total noncurrent asset | 70,792 |
| Total assets | 152,025 |

LIABILITIES

Current liabilities:

| | |
|-------------------|-------|
| Accounts payable | 3,731 |
| Total liabilities | 3,731 |

NET POSITION

| | |
|----------------------------|------------|
| Invested in capital assets | 70,792 |
| Unrestricted | 77,502 |
| Total net position | \$ 148,294 |

The accompanying notes are an integral and essential part of these financial statements.

Cow Slough Water Control District
Statement of Activities
For the fiscal year ended September 30, 2023

EXPENSES

Governmental Activities

Physical environment

Operating expenses

\$ 46,276

Depreciation

3,904

Total program expenses

50,180

GENERAL REVENUE

Assessment revenue

50,562

Interest income

3,577

Total general revenues

54,139

Change in net position

3,959

Net position - beginning, October 1, 2022

144,335

Net position - ending, September, 30, 2023

\$ 148,294

The accompanying notes are an integral and essential part of these financial statements.

Cow Slough Water Control District
Balance Sheet
September 30, 2023

| | <u>General Fund</u> |
|---|---------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 80,862 |
| Due from other governments | 371 |
| Total assets | \$ 81,233 |
| LIABILITIES & FUND BALANCE | |
| LIABILITIES | |
| Accounts payable | \$ 3,731 |
| Total liabilities | 3,731 |
| FUND BALANCE | |
| Committed | 45,000 |
| Unassigned | 32,502 |
| Total fund balances | 77,502 |
| Total liabilities and fund balances | \$ 81,233 |

The accompanying notes are an integral and essential part of these financial statements.

Cow Slough Water Control District
Reconciliation of the Balance Sheet To the Statement of Net Position
September 30, 2023

| | | |
|---|----|--------|
| Total fund balance for governmental funds | \$ | 77,502 |
|---|----|--------|

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 funds. The statement of net position includes those capital assets, net of any accumulated depreciation, in the net position of the government as a whole.

| | | |
|--------------------------|------------|--------|
| Cost of capital assets | \$ 115,035 | |
| Accumulated depreciation | (44,243) | 70,792 |
| | | |

| | | |
|--------------|----|----------------|
| Net Position | \$ | <u>148,294</u> |
|--------------|----|----------------|

The accompanying notes are an integral and essential part of these financial statements.

Cow Slough Water Control District
Statement of Revenues, Expenditures and Changes in Fund Balance
For the fiscal year ended September 30, 2023

| | General Fund |
|----------------------------------|--------------|
| REVENUES | |
| Assessments, net of discounts | \$ 50,562 |
| Interest income | 3,577 |
| Total revenues | 54,139 |
| EXPENDITURES | |
| Current | |
| Physical environment | |
| Operating expenditures | 46,276 |
| Total expenditures | 46,276 |
| Net change in fund balance | 7,863 |
| Fund balance, October 1, 2022 | 69,639 |
| Fund balance, September 30, 2023 | \$ 77,502 |

The accompanying notes are an integral and essential part of these financial statements.

Cow Slough Water Control District
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balance to the Statement of Activities
For the fiscal year ended September 30, 2023

| | | |
|---|----|-------|
| Net change in fund balance for governmental funds | \$ | 7,863 |
|---|----|-------|

Amounts reported for governmental activities in the statement of activities are 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. In addition, gains and losses on the disposition of capital assets are recorded on the statement of activities but not in the statement of revenues expenditures and changes in net position.

| | | |
|----------------------------|--|---------|
| Less: depreciation expense | | (3,904) |
|----------------------------|--|---------|

| | | |
|------------------------|----|-------|
| Change in net position | \$ | 3,959 |
|------------------------|----|-------|

The accompanying notes are an integral and essential part of these financial statements.

Cow Slough Water Control District
Notes to Financial Statements
September 30, 2023

Note 1. Summary of Significant Accounting Policies:

Organization and Nature of Activities

Cow Slough Water Control District was created by Chapter 89-426, Senate Bill No. 1511, Laws of Florida, Acts of 1989. The operations of the District are fundamentally governed by special acts pertaining to the District.

The District is an independent special district created pursuant to the method authorized in Chapter 298 of the Florida Statutes. A three-member Board of Supervisors elected by the landowners of the District governs the District. The Board appoints an Administrator to administer the policies emanating from its statutory powers and authority.

The Board has the responsibility for assessing and levying assessments, approving budgets, exercising control over facilities and properties, controlling the use of funds generated by the District, approving the hiring and firing of key personnel, and financing improvements.

Summary of Significant Accounting Policies

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

Reporting Entity

Governmental Accounting Standards Board (GASB) Statement No. 14, "Financial Reporting Entity" (GASB 14), as amended, requires the 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 14, as amended, there are no component units included and/or required to be included in the District's financial statements.

Government-wide Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The District's drainage activities and general administrative services are classified as governmental activities.

In the government-wide financial statement, Statement of Net Position, the governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts - invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

Cow Slough Water Control District
Notes to Financial Statements
September 30, 2023

Note 1. Summary of Significant Accounting Policies, Continued:

Fund Financial Statements

The accounts of the District are organized on the basis of funds, a fund 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, as appropriate. Government resources are allocated to, and accounted for in individual funds, based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following governmental fund is utilized by the District:

- **General Fund:** The General Fund is the general operating fund of the District. All financial resources which are not specifically restricted or designated as to use are recorded in the General Fund.

Basis of Accounting

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

The 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. Assessments are recognized as revenues in the year for which they are levied.

Government-wide net position is divided into three categories:

- Net investment in capital assets - consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding and was used to finance those assets.
- Restricted - consist of amounts constrained to specific purposes by their providers (such as grantors, bondholders, higher levels of government, and contributors), through constitutional provisions, by enabling legislation, or contributor restrictions.
- Unrestricted - all other net position is reported in this category.

Governmental fund financial statements are reported using the current financial resources management 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. For this purpose, the District considers assessment revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exception to this general rule include: (1) principal and interest on long-term debt, if any, which is recognized when due, and (2) expenditures are generally not divided between years by the recording of prepaid expenditures.

Cow Slough Water Control District
Notes to Financial Statements
September 30, 2023

Note 1. Summary of Significant Accounting Policies, Continued:

Basis of Accounting, Continued

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balance is reported in five components: nonspendable, restricted, committed, assigned, and unassigned.

The components of Fund Balance are:

- Nonspendable - amounts that cannot be spent because of their form. These amounts will never convert to cash or not convert soon enough to affect the current period (e.g., long-term receivables or prepaid items).
- Restricted - amounts that can be spent only on specific purposes stipulated by constitutional provisions or enabling legislation or externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.
- Committed - amounts that can only be used for specific purposes pursuant to resolution of the District Board. Committed fund balance may be redirected by the District Board to other purposes as long as the original constraint is removed by a similar resolution. The resolution giving rise to the committed fund balance must be imposed by the end of the fiscal year.
- Assigned - spendable fund balance amounts established by the administration of the District that are intended to be used for specific purposes that are neither considered restricted or committed.
- Unassigned - amounts that has not been reported in any other classification within the General Fund.

The District expends restricted amounts first when both restricted and unrestricted fund balances are available unless there are legal documents that prohibit doing this. Additionally, the District would first use committed fund balance, followed by assigned fund balance, and then unassigned fund balance, when expenditures are incurred for purposes in which amounts are available from any of these unrestricted fund balance classifications.

Cash and Cash Equivalents

For financial reporting purposes, the District considers cash and cash equivalents to be cash on hand, cash in banks, certificates of deposits, regardless of maturity, and short-term investments with maturities less than three months when acquired.

Capital Assets

Capital assets include land, building, improvements, machinery and equipment and general infrastructures, are reported in the government-wide financial statements in the Statement of Net Position. The District follows a capitalization policy which calls for capitalization of all capital assets that have a cost or donated value of \$750 or more and have a useful life in excess of one year. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their acquisition cost on the date donated. 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 and related accumulated depreciation is eliminated from the respective accounts.

Cow Slough Water Control District
Notes to Financial Statements
September 30, 2023

Note 1. Summary of Significant Accounting Policies, Continued:

Capital Assets, Continued

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

| | |
|-------------------|----------|
| Outfall structure | 40 years |
| Culverts | 20 years |
| Office equipment | 10 years |

Revenues

Substantially all governmental fund revenues are accrued. Assessments are billed and collected within the same period in which the taxes are levied. Subsidies and grants which finance either capital or current operations are reported as nonoperating revenue based on GASB Statement No. 33.

Use of Estimates

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

Budgets and Budgetary Accounting

The following procedures are used by the District in establishing the budgetary data reflected in the basic financial statements:

1. During April, the Administrator submits a proposed operating budget for the upcoming fiscal year. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. During May, the budget is legally enacted through the passage of a resolution.
4. Budget transfers and amendments can be made throughout the year by approval of the Board of Supervisors.
5. Budget amounts, as shown in the Required Supplementary Information are as originally adopted, or as amended by the Board of Supervisors.
6. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America.
7. The budgetary control is at the level at which expenditures do not exceed the budget in the aggregate.

Cow Slough Water Control District
Notes to Financial Statements
September 30, 2023

Note 1. Summary of Significant Accounting Policies, Continued:

Encumbrances

Encumbrance 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 it is, at present, not necessary to assure effective budgetary control or to facilitate effective cash planning and control.

Note 2. Cash and Investments:

At September 30, 2023, the carrying amount of the District's deposits was \$80,862 and the bank balance was \$80,856. These deposits were entirely covered by Federal Depository Insurance or by collateral pursuant to the Florida Security For Public Deposits Act (Florida Statutes Chapter 280).

Note 3. Assessments:

The assessment levy of the District is established by the Board of Supervisors, and becomes an enforceable lien on the property on January 1 of the following year. The District levied an assessment rate of \$6.00 per acre for the fiscal year ended September 30, 2023.

All assessments are due and payable on November 1 of each year or as soon thereafter as the tax roll is delivered to the county tax collector. Liens are placed on property as of January 1. All unpaid assessments become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February. The assessments paid in March are without discount.

On or prior to June 1 following the assessment year, certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest of 18% per year or at any lower bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold certificates become the property of the District, earning interest at a rate of 18% per year.

Note 4. Risk Management:

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets and errors and omissions. The District is a member of the insurance program sponsored by the Florida League of Cities for general liability and public officials' liability coverage. The program purchases excess and other specific coverages from third party carriers. Members of the program are billed annually for their portion of the coverage and are not assessable for unanticipated losses incurred by the program.

Cow Slough Water Control District
Notes to Financial Statements
September 30, 2023

Note 5. Changes in General Fixed Assets:

A summary of changes in general fixed assets follows:

| | <u>Balance</u> <u>Oct. 1, 2022</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>Sept. 30, 2023</u> |
|---|---------------------------------------|-------------------|------------------|---|
| Capital assets being depreciated: | | | | |
| Office equipment | \$ 2,201 | \$ - | \$ - | \$ 2,201 |
| Outfall structure | 69,649 | - | - | 69,649 |
| Culverts | 43,185 | - | - | 43,185 |
| Total capital assets being depreciated: | <u>115,035</u> | <u>-</u> | <u>-</u> | <u>115,035</u> |
| Less: Accumulated depreciation | <u>(40,339)</u> | <u>(3,904)</u> | <u>-</u> | <u>(44,243)</u> |
| Capital Assets, Net | <u>\$ 74,696</u> | <u>\$ (3,904)</u> | <u>\$ -</u> | <u>\$ 70,792</u> |

**REQUIRED SUPPLEMENTARY
INFORMATION**

Cow Slough Water Control District
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the fiscal year ended September 30, 2023

| | Original Budget | Final Budget | Actual | Variance from Final Budget Positive (Negative) |
|--------------------------------------|--------------------|-----------------|-----------|---|
| REVENUES | | | | |
| Assessments, net of discounts | \$ 48,027 | \$ 48,027 | \$ 50,562 | \$ 2,535 |
| Interest income | - | - | 3,577 | 3,577 |
| Subtotal - revenues | 48,027 | 48,027 | 54,139 | 6,112 |
| Cash brought forward | 43,729 | 43,729 | - | (43,729) |
| Total revenues | 91,756 | 91,756 | 54,139 | (37,617) |
| EXPENDITURES | | | | |
| Physical environment | | | | |
| Legal advertising | 625 | 625 | 909 | (284) |
| Dues and subscriptions | 675 | 675 | 309 | 366 |
| Insurance | 4,090 | 4,090 | 3,143 | 947 |
| Legal fees | 5,000 | 5,000 | 6,448 | (1,448) |
| Audit fees | 3,600 | 3,600 | - | 3,600 |
| Administrator/accounting | 15,000 | 15,000 | 14,400 | 600 |
| Engineering fees | 7,500 | 7,500 | 1,600 | 5,900 |
| Maintenance and repairs | | | | |
| Herbicide | 15,000 | 15,000 | 3,737 | 11,263 |
| Canal maintenance | 5,000 | 5,000 | 2,501 | 2,499 |
| Culverts | 2,000 | 2,000 | 210 | 1,790 |
| Mowing | 4,000 | 4,000 | 4,720 | (720) |
| Other | - | - | 5,500 | (5,500) |
| Downstream maintenance | 4,100 | 4,100 | - | 4,100 |
| Office expense | 1,350 | 1,350 | 888 | 462 |
| Postage | 150 | 150 | 48 | 102 |
| ADA compliance | 400 | 400 | - | 400 |
| Rent/storage expense | 1,308 | 1,308 | 1,263 | 45 |
| Water quality analysis | 3,500 | 3,500 | 600 | 2,900 |
| Reserve | 18,458 | 18,458 | - | 18,458 |
| Total expenditures | 91,756 | 91,756 | 46,276 | 45,480 |
| Excess of Revenues Over Expenditures | \$ - | \$ - | 7,863 | \$ 7,863 |
| Fund balance, October 1, 2022 | | | 69,639 | |
| Fund balance, September 30, 2023 | | | \$ 77,502 | |

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

Board of Supervisors
Cow Slough Water Control District
LaBelle, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of the Cow Slough Water Control District, (the "District") as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 14, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) 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 material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida

June 14, 2024

Management Letter

Board of Supervisors
Cow Slough Water Control District
LaBelle, Florida

Report on the Financial Statements

We have audited the financial statements of the Cow Slough Water Control District, (the "District"), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated June 14, 2024.

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*; 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 and schedule, which are dated June 14, 2024, 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. There were no recommendations made in the preceding audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The District had no component units as of September 30, 2023.

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 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.

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. The total number of district employees compensated in the last pay period of the district's fiscal year is zero.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year is 1.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency is zero.
- d. All compensation earned by or awarded to nonemployee independent contractors in fiscal year under audit, whether paid or accrued, regardless of contingency is \$4,720.
- e. The District did not start any construction project with a total cost of at least \$65,000 to begin on or after October 1, 2022.
- 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 located on page 22.

Special District Component Units, continued

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7., Rules of the Auditor General, the District reported:

- a. The rate of non-ad valorem special assessments imposed by the District is \$6.00 per acre.
- b. The total amount of special assessments collected by or on behalf of the district is \$50,562.
- c. The District does not have any bonds.

Additional Matters

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

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
June 14, 2024



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Independent Accountant's Examination Report

Board of Supervisors
Cow Slough Water Control District
LaBelle, Florida

We have examined the Cow Slough Water Control District's (the "District") compliance with Section 218.415, Florida Statutes, in regards to investments for the year ended September 30, 2023.

Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
June 14, 2024