

**WATERFORD SPECIAL DEPENDENT DISTRICT  
HILLSBOROUGH COUNTY, FLORIDA**

**ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**WATERFORD SPECIAL DEPENDENT DISTRICT  
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## INDEPENDENT AUDITORS' REPORT

Board of Trustees of the Waterford Special Dependent District  
13317 Waterford Run Dr.  
Riverview, FL 33569  
Hillsborough County, Florida

### Opinion

We have audited the accompanying financial statements of the Waterford Special Dependent District (the "District"), Hillsborough County, Florida 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 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 and the governmental fund of the District as of September 30, 2023, and the respective changes in financial position and the budgetary comparison for the governmental fund thereof 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. 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 opinion.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting

## **Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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 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. 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 November 9, 2023, on our consideration of the district's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Hamilton & Associates CPA, LLC*

Brandon, Florida  
November 9, 2023

**WATERFORD SPECIAL DEPENDENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

Our discussion and analysis of Waterford Special Dependent District ("District"), Hillsborough County, Florida's financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2023. Please read it in conjunction with the District's Independent Auditors' Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

**Financial Highlights**

- The net assets of the District totaled \$323,382 at the close of the fiscal year ending September 30, 2023.
- The District's total net position increased by \$11,889 from the prior fiscal year.
- The District's total revenues were \$66,474 for the fiscal year ended September 30, 2023.
- The District's total expenses for all activities were \$54,585 for the year.

**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'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 other 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, 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 government's net position changed during the 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 include 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 include continued development, administration, and maintenance of properties for the area known as Waterford.

**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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has a single governmental fund.

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 fund 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.

**WATERFORD SPECIAL DEPENDENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**Fund Financial Statements – Continued**

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 District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District currently maintains one individual governmental fund for external reporting. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance for the special revenue fund, which is a major fund.

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

**Notes to the Financial Statements**

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

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a District's financial position. In the case of the District, assets exceeded liabilities at the close of the most recent fiscal year. The following is a summary of the District's net position as of September 30, 2023 and 2022:

	<b>Net Position, End of Year</b>		
	<u>Governmental Activities</u>		
	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>Increase / (Decrease)</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 237,940	\$ 216,736	\$ 21,204
Capital assets, net of depreciation	85,442	94,757	(9,315)
Total Assets	<u>\$ 323,382</u>	<u>\$ 311,493</u>	<u>\$ 11,889</u>
 <b>NET POSITION</b>			
Net position	237,940	216,736	21,204
Net Investment in Capital Assets	85,442	94,757	(9,315)
Total Net Position	<u>\$ 323,382</u>	<u>\$ 311,493</u>	<u>\$ 11,889</u>

**WATERFORD SPECIAL DEPENDENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**Government-Wide Financial Analysis – Continued**

Key elements of the changes in the District's net position for the fiscal years ended September 30, 2023 and 2022 are as follows:

	<b>Operating Results for the Year</b>		
	Governmental Activities		
	9/30/2023	9/30/2022	Increase / (Decrease)
<b>REVENUES</b>			
Assessments	\$ 66,402	\$ 60,348	\$ 6,054
Interest & Other	72	72	-
Total Revenues	66,474	60,420	6,054
<b>EXPENSES</b>			
Environment:			
Utilities	11,889	10,600	1,289
Lawn care	7,200	7,200	-
Repairs and maintenance	17,336	6,727	10,609
Insurance	2,788	3,851	(1,063)
Accounting and auditing	2,325	2,200	125
Advertising	380	569	(189)
Other charges and obligations	384	398	(14)
Other contractual services	1,650	1,500	150
Commissions - Tax Collector	1,318	1,197	121
Depreciation	9,315	9,315	-
Total Expenses	54,585	43,557	11,028
Increase in Net Position	\$ 11,889	\$ 16,863	\$ (4,974)

Governmental activities remained consistent, increased the District's net position by \$11,889 during the most recent fiscal year, the extent to which revenues exceeded expenditures. The District incurred additional repairs and maintenance expenses to the common grounds over the prior year.

**General Budget Highlights**

The District is required to prepare and submit an annual operating budget to the Hillsborough County BOCC. The budget is adopted using the same basis of accounting as the governmental fund. The 2023 fiscal year budget included an increase in the assessment rate from \$1,000 per parcel to \$1,100 per parcel. The increase was approved by the District's Board of Trustees in anticipation of an approved \$66,000 project to repair the seawall within the District's grounds. This project was delayed for the fiscal year 2023, resulting in a budget variance of (\$75,736) in total expenditures and an excess in revenues over expenditures of \$21,204 rather than a budgeted loss of \$54,532.



**WATERFORD SPECIAL DEPENDENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**Contacting the District's Financial Management**

This financial report is designed to provide the residents, land owners, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions or need additional information about this report, contact the Board of Trustees at 13317 Waterford Run Dr., Riverview, FL 33569.

**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.

**WATERFORD SPECIAL DEPENDENT DISTRICT  
STATEMENT OF NET POSITION  
AS OF SEPTEMBER 30, 2023**

	Governmental Activities
Assets	
Cash	\$ 237,940
Capital assets	284,257
Accumulated depreciation	(198,815)
Total Assets	\$ 323,382
 Net Position	
Unrestricted net assets	\$ 237,940
Invested in capital assets	85,442
Total Net Position	\$ 323,382

**WATERFORD SPECIAL DEPENDENT DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	Expenditures	Program Revenues Charges for Services	Net (Expense) Revenue and Changes in Net Position Governmental Activities
Functions/Programs:			
Primary Government:			
Government Activities:			
General Government	\$ 54,585	\$ 66,402	\$ 11,817
Total Governmental Activities	54,585	66,402	11,817
General Revenues:			
Interest & Other			72
Total General Revenues			72
Change in Net Position			11,889
Net Position - Beginning			311,493
Net Position - Ending			\$ 323,382

**WATERFORD SPECIAL DEPENDENT DISTRICT  
BALANCE SHEET – GOVERNMENTAL FUND  
AS OF SEPTEMBER 30, 2023**

	<u>Special Revenue Fund</u>
Assets	
Cash	<u>\$ 237,940</u>
Total Assets	<u><u>\$ 237,940</u></u>
 Fund Balance	
Unrestricted net assets	<u>\$ 237,940</u>
Total Fund Balance	<u><u>\$ 237,940</u></u>

**Reconciliation of the Balance Sheet - Governmental Fund  
to the Statement of Net Position**

Fund Balance - Governmental Fund		\$ 237,940
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental fund financial statements.		
Cost of capital assets	284,257	
Accumulated depreciation	<u>(198,815)</u>	<u>85,442</u>
Net position of governmental activities		<u><u>\$ 323,382</u></u>

**WATERFORD SPECIAL DEPENDENT DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
GOVERNMENTAL FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	Special Revenue Fund
Revenues	
Special Assessments	\$ 66,402
Interest Income	72
Total Revenues	66,474
Expenditures	
Utilities	11,889
Lawn care	7,200
Repairs and maintenance	17,336
Insurance	2,788
Accounting and auditing	2,325
Advertising	380
Other charges and obligations	384
Other contractual services	1,650
Commissions - Tax Collector	1,318
Total Expenditures	45,270
Excess of revenues over expenditures	21,204
Fund Balance - Beginning	216,736
Fund Balance - Ending	\$ 237,940

**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	\$ 21,204
Amounts reported for governmental activities in the statement of activities are different because:	
Depreciation of capital assets is not recognized in the governmental fund statements but is recorded as an expense in the statement of activities.	(9,315)
Change in net position of governmental activities	\$ 11,889

**WATERFORD SPECIAL DEPENDENT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature and Purpose of the Waterford Special Dependent District

The Waterford Special Dependent District ("District"), Hillsborough County, Florida, by was created by Hillsborough County Ordinance 95-7, pursuant to Section 189.4041(4), Florida Statutes, in December 1987, for the purpose of continued development, administration, and maintenance of the unincorporated area known as Waterford on the Alafia.

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.

Government-Wide and Fund 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 reports the following major governmental fund: Special Revenue Fund - to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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 reported using 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 in the year in which they are levied.

Governmental fund financial statements are reported 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 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting.

**WATERFORD SPECIAL DEPENDENT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

Budgets and Budgetary 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.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to June 1, the District submits to the Chief Deputy, Clerk of County Commissioners, a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes the proposed expenditures for the upcoming year.
2. Prior to July 1, the budget is approved by the Board of County Commissioners.
3. The budget for the District is adopted on a basis consistent with generally accepted accounting principles (GAAP).
4. Any amendments to the budget must be approved by the Board of County Commissioners.

Cash Deposits

The District's cash deposits consist of demand deposits held by a commercial bank qualified as a public depository under Florida law. Deposits on hand at financial institutions are insured by the Federal Deposit Insurance Company and collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

Capital Assets

The District's capital assets, which include improvements to common grounds and infrastructure assets (e.g., roads, sidewalks, and similar items) are reported in the governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets ranging from 10-20 years.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

In the governmental fund financial statements, amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported in the governmental fund financial statements.

**WATERFORD SPECIAL DEPENDENT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

Net Position and Fund Balance Classification

*Government-Wide Financial Statements* – Net position is classified and reported in three components:

1. *Net Investment in Capital Assets* - consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowings attributed to the acquisition or improvement of those assets.
2. *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.
3. *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:

1. *Non-spendable* - 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 non-spendable fund balances at year end relate to assets that are non-spendable in form.
2. *Restricted* - fund balance that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.
3. *Committed* - fund balance that can be used only for the specific purposes determined by a formal action of the District's Board of Governance.
4. *Assigned* - fund balance that is intended to be used by the District's management for specific purposes does not meet the criteria to be classified as restricted or committed.
5. *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 non-ad valorem assessment in the Waterford Subdivision on all residential parcels. The District is authorized to levy a non-ad valorem assessment on each improved residential parcel of property located within the District. The assessment is levied and collected through the annual tax roll of 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 \$1,100 per improved parcel for the fiscal year, which included 62 parcels for a total of \$68,200 in assessments. Property taxes and assessments are recognized in the fiscal year when they become measurable and available.



**WATERFORD SPECIAL DEPENDENT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

Use of 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.

Date of Management’s Review

Management has evaluated subsequent events through November 9, 2023, the date on which the financial statements were available to be issued and found no significant events requiring disclosure.

**NOTE 2 – CONCENTRATION OF CREDIT RISK**

In the case of deposits, there is a custodial credit risk where in the event of a bank failure, the District's deposits may not be returned to the District. Cash balances consist of \$237,940 held in a checking and savings account with a commercial bank that qualifies as a public depository under Florida law. All such deposits are insured by the Federal Deposit Insurance Company and/or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

**NOTE 3 – CAPITAL ASSETS**

Capital asset activity during the fiscal year ended September 30, 2023 was as follows:

<u>Governmental Activities</u>	Beginning Balance	Additions	Reductions	Ending Balance
<u>Non-depreciable Capital Assets:</u>				
Construction in progress	\$ 7,410	\$ -	\$ -	\$ 7,410
<u>Depreciable Capital Assets:</u>				
Capital assets, being depreciated				
Infrastructure	\$ 276,847	\$ -	\$ -	\$ 276,847
Less accumulated depreciation for:				
Infrastructure	(189,500)	(9,315)	-	(198,815)
Governmental activities capital assets, net	<u>\$ 94,757</u>	<u>\$ (9,315)</u>	<u>\$ -</u>	<u>\$ 85,442</u>

**NOTE 4 – REVENUE**

The 2023 fiscal year assessments for the District were as follows:

	<u>Amount</u>
Non-ad Valorem taxes assessed	\$ 68,200
Excess fees and interest	495
Less: Discounts	<u>(2,293)</u>
Total Non-ad Valorem tax revenue	<u>66,402</u>
Less: Tax Collector fees	<u>(1,318)</u>
Total remittances to the District	<u>\$ 65,084</u>

REQUIRED SUPPLEMENTARY INFORMATION

**WATERFORD SPECIAL DEPENDENT DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL – SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budgeted Amounts</u>		Variance with Final Budget - Positive (Negative)
	<u>Original &amp; Final</u>	<u>Actual Amounts</u>	
<b>Revenues</b>			
Assessments, net of discounts	\$ 64,790	\$ 66,402	\$ 1,612
Interest & other	-	72	72
Total revenues	64,790	66,474	1,684
<b>Expenditures</b>			
Utilities	12,000	11,889	111
Lawn care	7,200	7,200	-
Repairs and maintenance	88,622	17,336	71,286
Insurance	2,500	2,788	(288)
Accounting and auditing	2,400	2,325	75
Advertising	-	380	(380)
Other charges and obligations	800	384	416
Other contractual services	3,800	1,650	2,150
Professional services	2,000	-	2,000
Commissions - Tax Collector	-	1,318	(1,318)
Total expenditures	119,322	45,270	74,052
Excess (deficiency) of revenues over (under) expenditures	(54,532)	21,204	75,736
Fund Balance - Beginning	211,260	216,736	
Fund Balance - Ending	<u>\$ 156,728</u>	<u>\$ 237,940</u>	

**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 Trustees of the  
Waterford Special Dependent District  
Hillsborough County, 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 and major fund of Waterford Special Dependent 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 November 9, 2023.

**Internal Control over Financial Reporting**

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

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

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

**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 do not provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performing 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.

*Hamilton & Associates CPA, LLC*

Brandon, Florida  
November 9, 2023

**INDEPENDENT AUDITORS' MANAGEMENT LETTER  
PURSUANT TO THE RULES OF THE AUDITOR GENERAL  
FOR THE STATE OF FLORIDA**

Board of Trustees of the  
Waterford Special Dependent District  
Hillsborough County, Florida

**Report on the Financial Statements**

We have audited the accompanying basic financial statements of Waterford Special Dependent District, Hillsborough County, Florida ("District") as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated November 9, 2023.

**Auditor's Responsibility**

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; and Chapter 10.550, *Rules of the Florida Auditor General*.

**Other Reporting Requirements**

We have also issued our 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* and Independent Accountants' 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 November 9, 2023, should be considered in conjunction with this management letter.

**Prior Audit Findings**

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

**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 legal authority is disclosed in the notes to the financial statements.

**Financial Condition and Management**

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require that we apply appropriate procedures and report 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 conditions met. In connection with our audit, the results of our tests did not indicate that the District met any of the conditions described in Section 218.503(1), Florida Statutes.

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

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

### **Special District Component Units**

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided 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, *Rules of the Auditor General*, the District reported:

- a. There were no district employees compensated in the last pay period of the fiscal year.
- b. There were no independent contractors to whom non-employee compensation was paid in the last month of the district's fiscal year.
- c. There was no compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency.
- d. There was no compensation earned by or awarded to non-employee independent contractors, whether paid or accrued, regardless of contingency.
- e. The district has contracted a third-party construction company to repair its seawall infrastructure assets. The project was scheduled to be completed during the 2023 fiscal year, with a projected total cost of \$66,000. This project has been delayed for the foreseeable future.
- f. There were no amendments to the original budget adopted under Section 189.016(4).

### **Additional Matters**

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to address 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 notice 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, 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 those specified parties.

*Hamilton & Associates CPA, LLC*

Brandon, Florida  
November 9, 2023