

**WORKSHOP ITEM SUMMARY SHEET**  
**VILLAGE COUNCIL MEETING**  
**June 3, 2026**

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**Agenda Item:**

Presentation of the Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2025, by Branden Lopez, CPA, CBIZ CPAs P.C.

**Description:**

In compliance with Florida Statutes 218.39, the Village’s financial statements have been independently audited by CBIZ CPAs P.C., a firm of licensed certified public accountants. The report provides details of operations for the twelve (12) months ending September 30, 2024. The independent auditor has issued an unmodified (“clean”) opinion on the Village’s financial statements for the fiscal year ended September 30, 2025.

The audit report also includes the Government Financial Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Estero for fiscal year ended September 30, 2024. The Village has achieved this prestigious award each fiscal year since inception.

**Background & Financial Dashboard:**

The Village is committed to maintaining the highest standard of controls and oversight of our financial affairs. The Auditor is provided complete access to any and all records – at their complete discretion. Our objective is to provide the highest level of accountability and integrity in our handling of taxpayers dollars. We also commit to complete transparency and fully disclose any issues. Below is our audit history.

<b>Summary of Audit Findings and Management Letter Comments</b>		
<b>FY</b>	<b>Audit Findings</b>	<b>Mgmt Letter Comments</b>
2014/2015	2	1
2015/2016	0	0
2016/2017	1	0
2017/2018	0	0
2018/2019	0	1
2019/2020	0	0
2020/2021	0	1
2021/2022	0	1
2022/2023	0	2

2023/2024	0	2
2024/2025	1	0

“Findings” represent serious deficiencies in our operation and a “management comment” represents a serious concern that warrants immediate attention. Either represents an opportunity to improve our operation to best preserve the public trust. The expectation is that we never have a “finding” and only rarely have a “management comment”. You can see from our history that we take the audit very seriously and manage in accordance with the highest standards of professional conduct.

Unfortunately, the newly engaged auditors discovered a finding during the current audit. Specifically, the Village recognized American Rescue Plan Act grant funds received as revenue when received in fiscal year 2022 before all eligibility requirements had been met. In addition, the Village recorded prepaid amounts which should have been expensed during the year.

Management concurs with the finding. The accounting treatment related to the recognition of American Rescue Plan Act (ARPA) grant revenues and certain prepaid expenditures was applied consistently in prior fiscal years and was reviewed as part of the Village's annual financial statement audits. During the fiscal year 2025 audit, the Village's newly engaged independent auditors identified that the timing of revenue recognition and classification of certain prepaid expenditures should be revised to better comply with applicable governmental accounting standards.

Management relied upon accounting practices and interpretations that had been accepted in prior years and appreciates the current auditors' recommendations and clarification regarding the appropriate accounting treatment. Upon identification of the issue, management worked with the auditors to record the necessary adjustments and ensure the financial statements were fairly presented.

To prevent similar issues in the future, management has enhanced its year-end financial reporting review procedures, including additional review of grant agreements, eligibility requirements, deferred inflows of resources, and prepaid expenditure classifications. Management believes these procedures will strengthen financial reporting and help ensure continued compliance with applicable GASB standards.

A history of our Audit Findings and Management Letter Comments is attached. Of course, all of the prior issues have been corrected.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report will meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for this certificate.

If there are no recommendations from the Village Council during the workshop, the presented financial statements will be finalized and bound for distribution prior to the June 17 Council meeting. If acceptable, the Village Council will approve the Annual Comprehensive Financial Report at the June 17 Council meeting.

**Financial Impact:**

There is no financial impact of this report.

**Attachments:**

1. Summary of Audit Findings and Management Letter Comments (2 pages)
2. Draft Annual Comprehensive Financial Report FY 25