

**CENTRAL BROWARD
WATER CONTROL DISTRICT
HOLLYWOOD, FLORIDA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2025**

**CENTRAL BROWARD WATER CONTROL DISTRICT
HOLLYWOOD, FLORIDA**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Central Broward Water Control District
Hollywood, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of Central Broward Water Control District, Hollywood, Florida ("District") as of and for the fiscal year ended September 30, 2025, 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 major fund of the District as of September 30, 2025 and the respective changes in financial position, thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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

The District's 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 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 GAAS 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 GAAS, 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, budgetary comparison information, schedules of proportionate share of net pension liability, schedules of pension contributions, and schedule of changes in the District's net OPEB liability and related ratios 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. 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 Information Included in the Financial Report

Management is responsible for the other information included in the financial report. The other information comprises the information for compliance with FL Statute 218.39 (3) (c), but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2026, 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, grant agreements and other matters. The purpose of that report is solely 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 considering the District's internal control over financial reporting and compliance.

June 4, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Central Broward Water Control District, Hollywood, Florida, ("District") provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 2025. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements themselves.

FINANCIAL HIGHLIGHTS

- The assets plus deferred outflows of resources of the District exceeded its liabilities plus deferred inflows of resources at the close of the most recent fiscal year resulting in a net position balance of \$8,500,729.
- The change in the District's total net position in comparison with the prior fiscal year was an increase of \$997,188. The key components of the District's net position and change in net position are reflected in the table in the government-wide financial analysis section.
- At September 30, 2025, the District's governmental fund reported fund balance of \$8,547,500, an increase of \$1,092,299 in comparison with the prior year. A portion of fund balance is assigned for subsequent year's budget, future hurricane emergencies, capital outlay, and vacation and sick leave. The remaining balance is unassigned fund balance and is available for spending at the District's discretion.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as the 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.

1) 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 the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual amount being 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 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.

The government-wide financial statements include all governmental activities that are principally supported by ad valorem taxes. The District does not have any business-type activities. The governmental activities of the District include maintenance and management functions.

2) Fund Financial Statements

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

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

2) Fund Financial Statements (Continued)

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 District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the 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 maintains one 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 balances for the general fund, which is considered to be a major fund.

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

3) 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 and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the District, assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources at the close of the most recent fiscal year.

Key components of the District's net position are reflected in the following table:

NET POSITION SEPTEMBER 30,		
	2025	2024
Assets, excluding capital assets	\$ 11,218,929	\$ 9,480,829
Capital assets, net of depreciation	1,824,007	2,091,893
Total assets	13,042,936	11,572,722
Deferred outflows of resources	358,788	216,806
Liabilities, excluding long-term liabilities	2,766,979	2,025,628
Long-term liabilities	1,740,485	1,882,790
Total liabilities	4,507,464	3,908,418
Deferred inflows of resources	393,531	377,569
Net position		
Investment in capital assets	1,824,007	2,091,893
Unrestricted	6,676,722	5,411,648
Total net position	\$ 8,500,729	\$ 7,503,541

The District's net position reflects its investment in capital assets (e.g. land, building, equipment and improvements) net of any related debt used to acquire those assets. The District uses these capital assets in the operation of the District; therefore, they are not available for future spending.

The remaining balance of unrestricted net position may be used to meet the District's other obligations.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The District's net position increased during the most recent fiscal year. The majority of the increase represents the extent to which ongoing program revenues exceeded the cost of operations and depreciation expense.

The key elements of the change in net position are reflected in the following table:

CHANGES IN NET POSITION FOR THE FISCAL YEAR ENDED SEPTEMBER 30,		
	2025	2024
Revenues:		
Program revenues		
Charges for services	\$ 599,709	\$ 625,117
General revenues		
Ad valorem taxes	2,785,479	2,517,633
Unrestricted investment earnings	342,100	359,333
Miscellaneous	17,633	9,092
Special item		
Loss on sale of capital asset	-	(110)
Total revenues	3,744,921	3,511,065
Expenses:		
General government	1,881,999	1,717,092
Physical environment	865,734	1,002,005
Total expenses	2,747,733	2,719,097
Change in net position	997,188	791,968
Net position - beginning	7,503,541	6,711,573
Net position - ending	\$ 8,500,729	\$ 7,503,541

As noted in the table above and in the statement of activities, the cost of all government activities during the fiscal year ended September 30, 2025, was \$2,747,733. Program revenues of the District are comprised primarily of fees and charges for services for the current and prior fiscal years. The costs of the District's activities were funded by general revenues consisting primarily of ad valorem taxes as was done in the prior fiscal year. In total, expenses, including depreciation, slightly increased from the prior fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Commissioners. Actual expenditures did not exceed appropriations for the fiscal year ended September 30, 2025.

CAPITAL ASSETS

At September 30, 2025, the District had \$125,507 in non-depreciable assets and \$5,118,699 invested in culverts, vehicles, furniture and equipment, and buildings. In the government-wide financial statements, depreciation of \$3,420,199 has been taken, resulting in a net book value of \$1,824,007. More detailed information regarding the District's capital assets is included in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND OTHER EVENTS

The District anticipates the purchase of a grapple truck during the subsequent fiscal year to support its ongoing maintenance operations. In addition, it is anticipated that the general operations of the District will remain fairly constant

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, 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 about this report or need additional financial information, contact the Central Broward Water Control District at 8020 Stirling Road, Hollywood, Florida 33024.

**CENTRAL BROWARD WATER CONTROL DISTRICT
HOLLYWOOD, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025**

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 8,477,810
Accounts receivable	90,567
Restricted assets:	
Cash	2,650,552
Capital assets:	
Nondepreciable	125,507
Depreciable, net	1,698,500
Total assets	<u>13,042,936</u>
 DEFERRED OUTFLOWS OF RESOURCES	
FRS Pension	<u>358,788</u>
 LIABILITIES	
Accounts payable	6,821
Plan review deposits	14,056
Compensated absences - current portion	95,550
Payable from restricted assets:	
Performance bonds	2,650,552
Non-current liabilities:	
Net pension liability	949,525
Compensated absences	30,436
Net OPEB liability	760,524
Total liabilities	<u>4,507,464</u>
 DEFERRED INFLOWS OF RESOURCES	
FRS Pension	<u>393,531</u>
 NET POSITION	
Net investment in capital assets	1,824,007
Unrestricted	6,676,722
Total net position	<u>\$ 8,500,729</u>

See notes to the financial statements

**CENTRAL BROWARD WATER CONTROL DISTRICT
HOLLYWOOD, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

		Program Revenues	Net (Expense) Revenue and Changes in Net Position
<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Governmental Activities</u>
Primary government:			
Governmental activities:			
General government	\$ 1,881,999	\$ -	\$ (1,881,999)
Physical environment	865,734	599,709	(266,025)
Total governmental activities	<u>2,747,733</u>	<u>599,709</u>	<u>(2,148,024)</u>
General revenues:			
Ad valorem taxes			2,785,479
Unrestricted investment earnings			342,100
Miscellaneous			17,633
Total general revenues			<u>3,145,212</u>
Change in net position			997,188
Net position - beginning			<u>7,503,541</u>
Net position - ending			<u><u>\$ 8,500,729</u></u>

See notes to the financial statements

**CENTRAL BROWARD WATER CONTROL DISTRICT
HOLLYWOOD, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUND
SEPTEMBER 30, 2025**

	General	Total Governmental Fund
ASSETS		
Cash	\$ 8,477,810	\$ 8,477,810
Accounts receivable, net	90,567	90,567
Restricted assets:		
Cash	2,650,552	2,650,552
Total assets	<u>\$ 11,218,929</u>	<u>\$ 11,218,929</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable and accrued liabilities	\$ 6,821	\$ 6,821
Plan review deposits	14,056	14,056
Payable from restricted assets:		
Performance bond deposits	2,650,552	2,650,552
Total liabilities	<u>2,671,429</u>	<u>2,671,429</u>
Fund balance:		
Assigned to:		
Subsequent year's budget	1,462,505	1,462,505
Hurricane emergency	563,180	563,180
Capital outlay	806,532	806,532
Vacation and sick leave	125,986	125,986
Unassigned	5,589,297	5,589,297
Total fund balance	<u>8,547,500</u>	<u>8,547,500</u>
Total liabilities and fund balance	<u>\$ 11,218,929</u>	<u>\$ 11,218,929</u>

See notes to the financial statements

**CENTRAL BROWARD WATER CONTROL DISTRICT
HOLLYWOOD, FLORIDA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025**

Fund balance - governmental fund	\$ 8,547,500
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in 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	5,244,206	
Accumulated depreciation	<u>(3,420,199)</u>	1,824,007

Deferred outflows of resources related to pensions are recorded in the statement of net position.	358,788
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Deferred inflows of resources related to pensions are recorded in the statement of net position.	(393,531)
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Net Other Post Employment Benefit (OPEB) liability is not reported in the funds as they are not repayable from current resources.	(760,524)
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Liabilities not due and payable from current available resources are not reported as liabilities in the governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide financial statements.

Net pension liability	(949,525)	
Accrued compensated absences	<u>(125,986)</u>	

Net position of governmental activities	<u><u>\$ 8,500,729</u></u>
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See notes to the financial statements

**CENTRAL BROWARD WATER CONTROL DISTRICT
HOLLYWOOD, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

	General	Total Governmental Fund
REVENUES		
Ad valorem taxes	\$ 2,785,479	\$ 2,785,479
Fees and charges for services	599,709	599,709
Interest income	342,100	342,100
Miscellaneous income	17,633	17,633
Total revenues	<u>3,744,921</u>	<u>3,744,921</u>
EXPENDITURES		
Current:		
General government	1,887,450	1,887,450
Physical environment	689,081	689,081
Capital outlay	76,091	76,091
Total expenditures	<u>2,652,622</u>	<u>2,652,622</u>
Excess (deficiency) of revenues over (under) expenditures	1,092,299	1,092,299
Fund balance - beginning	<u>7,455,201</u>	<u>7,455,201</u>
Fund balance - ending	<u><u>\$ 8,547,500</u></u>	<u><u>\$ 8,547,500</u></u>

See notes to the financial statements

**CENTRAL BROWARD WATER CONTROL DISTRICT
HOLLYWOOD, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

Net change in fund balances - governmental fund	\$ 1,092,299
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 eliminated and capitalized as capital assets.	5,183
Depreciation on capital assets is not recognized in the governmental fund financial statements but is reported as an expense in the statement of activities.	(273,069)
Some expenses reported in the statement of activities do not require the use of current financial resources; and, therefore, are not reported as expenditures in governmental funds. The details of the differences are as follows:	
Change in long-term compensated absences	4,917
Change in net pension liability and deferred outflows and inflows of resources related to pensions	111,330
Change in other post employment benefit obligation	56,528
Change in net position of governmental activities	<u><u>\$ 997,188</u></u>

See notes to the financial statements

**CENTRAL BROWARD WATER CONTROL DISTRICT
HOLLYWOOD, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY

Central Broward Water Control District, Hollywood, Florida ("District") was created in 1961 by the State of Florida pursuant to Florida Statutes, Chapter 61-1439, as an independent special district. Subsequent amendments to the Florida Statutes including Chapter 98-501 resulted in re-codification of the District's Charter. The District was created for the purpose of drainage and management of public waters within its territorial boundaries.

The District's Charter defines the boundaries of the District and provides among other things, the power to levy and assess ad valorem property taxes and for the financing and maintenance of improvements.

The District is governed by the Board of Commissioners ("Board"), which is composed of six members. All commissioners are elected at-large by qualified electors residing within the District's zone. Each Commissioner represents a zone within the District. Commissioners serve 4-year terms and elections are held every two years.

The Board has the final responsibility for:

1. Assessing and levying taxes and assessments.
2. Approving budgets.
3. Exercising control over facilities and properties.
4. Controlling the use of funds generated by the District.
5. Approving the hiring and firing of key personnel.
6. Financing improvements.

The District receives no direct financial support from Broward County or the cities within its boundaries.

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statements. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District is considered to be financially accountable and other organizations for which the nature and significance of their relationship with the District are such that, if excluded, the financial statements of the District would be considered incomplete or misleading. There are no entities considered to be component units of the District; therefore, the financial statements include only the operations of the District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not restricted to a particular program are reported instead as *general revenues*.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement 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 or soon enough thereafter to pay liabilities of the current period. For this purpose, the government 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. However, debt service expenditures, as well as expenditures related to compensated absences and any claims or judgments, are recorded only when payment is due.

Property Taxes

Property taxes are ad valorem and levied each November 1 on property as of the previous January 1. The fiscal year for which annual assessments are levied begins on October 1 with a maximum discount available for payments through November 30 and become delinquent on April 1. The taxes are billed and collected by the County Tax Assessor/Collector on behalf of the District. The amounts remitted to the District are net of applicable discounts or fees.

Property tax revenue, charges for plan review services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recorded as earned since they are measurable and available. In addition, revenue from Federal, State or local reimbursement type grants for which eligibility requirements have been met and which meet the availability criteria have been accrued and recognized as revenues of the period. Other revenue items are not considered to be measurable until cash is received by the government and, therefore, are not recorded as revenue until cash is actually received.

The District reports the following major governmental fund:

General Fund

The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first for qualifying expenditures, then unrestricted resources as they are needed.

Assets, Liabilities and Net Position or Equity

Restricted Assets

These assets represent cash held in escrow for performance bonds. These amounts are refundable to contractors.

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and demand deposits (interest and non-interest bearing).

The District has elected to proceed under the Alternative Investment Guidelines as set forth in Section 218.415 (17) Florida Statutes. The District may invest any surplus public funds in the following:

- a) The Local Government Surplus Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act;
- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
- c) Interest bearing time deposits or savings accounts in qualified public depositories;
- d) Direct obligations of the U.S. Treasury.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Deposits and Investments (Continued)

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due.

The District records all interest revenue related to investment activities in the respective funds. Investments are measured at amortized cost or reported at fair value as required by generally accepted accounting principles.

Capital Assets

Capital assets, which include property, plant and equipment, 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 \$500 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 acquisition value at the date of donation.

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.

Property, plant and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Pump station and canal improvements	20
Buildings	20
Furniture and fixtures	3-5
Vehicles and equipment	5-10

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.

Compensated Absences

It is the District's policy to permit employees to accumulate, within certain limits, earned but unused vacation and sick pay benefits, which will be paid to employees upon separation from the District's service. In addition, certain sick pay, subject to limitation, is eligible for buy back. Vacation and sick pay is accrued when earned in the government-wide financial statements. A liability for those amounts is reported in the governmental funds if they have matured as a result of employee resignations, termination or retirements. In the current year, liability for accrued compensated absences of the governmental activities is not reported in the balance sheet of the governmental funds and, accordingly, represents a reconciling item between the fund and government-wide presentations.

Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the Bonds. Bonds payable are reported net of applicable premiums or discounts. Bond issuance costs are expensed when incurred.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Fund Equity/Net Position

In the fund financial statements, governmental funds report non spendable and restricted fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change.

The District can establish limitations on the use of fund balance as follows:

Committed fund balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Commissioners. Commitments may be changed or lifted only by the Board of Commissioners taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned fund balance – Includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted nor committed. The Board may also assign fund balance as it does when appropriating fund balance to cover differences in estimated revenue and appropriations in the subsequent year's appropriated budget. Assignments are generally temporary and normally the same formal action need not be taken to remove the assignment.

The District first uses committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net position is the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position in the government-wide financial statements is categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents net position related to infrastructure and property, plant and equipment. Restricted net position represents the assets restricted by the District's Bond covenants or other contractual restrictions. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

Other Disclosures

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and 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.

NOTE 3 – BUDGETARY INFORMATION

The District is required to establish a budgetary system and an approved Annual Budget. Annual Budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. All annual appropriations lapse at fiscal year-end.

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

- a) The District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October.
- b) Public hearings are conducted to obtain taxpayer comments.
- c) Prior to October 1, the budget is legally adopted by the District Board.
- d) All budget changes must be approved by the District Board.
- e) The budget is adopted on a basis consistent with generally accepted accounting principles.
- f) Unused appropriations for annually budgeted funds lapse at the end of the year.

NOTE 4 – DEPOSITS AND INVESTMENTS

Deposits

The District's cash balances including certificates of deposits were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

NOTE 5 – RESTRICTED CASH

All entities performing capital projects within the District must provide a letter of credit or cash performance bond for 110% of the cost of the project. When the project is finalized and the build plans are approved by the Board of Commissioners, 90% is released. The remaining percentage is held for one year in case of any problems which may arise. As of September 30, 2025, the District held \$2,650,552 in cash performance bonds, which is restricted in escrow.

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental activities</u>				
Capital assets, not being depreciated				
Land	\$ 125,507	\$ -	\$ -	\$ 125,507
Total capital assets, not being depreciated	125,507	-	-	125,507
Capital assets, being depreciated				
Culverts	2,113,853	-	-	2,113,853
Vehicles	1,687,877	-	-	1,687,877
Office equipment and shop	95,631	4,058	-	99,689
Office furniture and equipment	108,033	1,125	-	109,158
Buildings	1,108,122	-	-	1,108,122
Total capital assets, being depreciated	5,113,516	5,183	-	5,118,699
Less accumulated depreciation for:				
Culverts	778,619	105,745	-	884,364
Vehicles	1,274,792	112,875	-	1,387,667
Office equipment and shop	87,814	6,195	-	94,009
Office furniture and equipment	66,750	25,168	-	91,918
Buildings	939,155	23,086	-	962,241
Total accumulated depreciation	3,147,130	273,069	-	3,420,199
Total capital assets, being depreciated, net	1,966,386	(267,886)	-	1,698,500
Governmental activities capital assets, net	\$ 2,091,893	\$ (267,886)	\$ -	\$ 1,824,007

Depreciation expense was charged to functions of the primary government as follows:

General government	\$ 167,324
Physical environment	105,745
Total	<u>\$ 273,069</u>

NOTE 7 – LONG TERM LIABILITIES

The changes in long-term liabilities for the fiscal year ended September 30, 2025, were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
Compensated absences	\$ 130,903	\$ 90,087	\$ 95,004	\$ 125,986	\$ 95,550
Governmental activity long-term liabilities	<u>\$ 130,903</u>	<u>\$ 90,087</u>	<u>\$ 95,004</u>	<u>\$ 125,986</u>	<u>\$ 95,550</u>

NOTE 8 –FLORIDA RETIREMENT SYSTEM (FRS)

General Information about the FRS

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state-administered retirement system in paying the costs of health insurance.

All regular employees of the District are eligible to enroll as members of the FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

The District's pension expense totaled \$40,662 for the fiscal year ended September 30, 2025.

FRS Pension Plan

Plan Description – The FRS Pension Plan (Plan) is a cost-sharing, multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The classes of membership within the District are as follows:

- Regular Class – Member of the FRS who do not qualify for membership in another class.
- Senior Management Service Class – Members in senior management level positions.
- Elected Local Officers Class – Members who hold specified elective offices in local government

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of service. Members of the Plan may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

NOTE 8 –FLORIDA RETIREMENT SYSTEM (FRS) (Continued)

FRS Pension Plan (Continued)

Benefits Provided – Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation (AFC). For members initially enrolled before July 1, 2011, the AFC is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the AFC is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

The following chart shows the percentage value for each year of service credit earned:

Class, Initial Enrollment, and Retirement Age/Years of Service	% Value
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 years of service	1.68
Senior Management Service Class	2.00
Elected Local Officers	3.00

Per Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions – The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2025 fiscal year were as follows:

Class	Percent of Gross Salary October 1, 2024 to June 30, 2025		Percent of Gross Salary July 1, 2025 to September 30, 2025	
	Employee	Employer (1)	Employee	Employer (1)
FRS, Regular	3.00	13.63	3.00	14.03
FRS, Senior Management	3.00	34.52	3.00	33.24
FRS, Elected Local Officers	3.00	58.68	3.00	54.57
DROP - Applicable to all members in the above classes	0.00	21.13	0.00	22.02

(1) Employer rates include a postemployment HIS contribution rate of 2% for October 1, 2024 to September 30, 2025, and administrative costs of .06% for the Investment plan through September 30, 2025.

NOTE 8 –FLORIDA RETIREMENT SYSTEM (FRS) (Continued)

FRS Pension Plan (Continued)

The District's contributions to the Plan totaled \$74,527 for the fiscal year ended September 30, 2025. This excludes the HIS defined benefit pension plan contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2025, the District reported a liability of \$686,883 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. The District's proportionate share of the net pension liability was based on the District's contributions for the year ended June 30, 2025 relative to the contributions made during the year ended June 30, 2025 of all participating members. At June 30, 2025, the District's proportionate share was .0022%, an increase of .0005% from its proportionate share measured as of June 30, 2024.

For the fiscal year ended September 30, 2025, the District recognized pension expense of \$45,636 related to the Pension Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 73,366	\$ -
Change of assumptions	79,765	-
Net difference between projected and actual earnings on FRS pension plan investments	-	(114,682)
Changes in proportion and differences between District FRS contributions and proportionate share of FRS contributions	136,447	(158,416)
District FRS contributions subsequent to the measurement date	36,058	-
Total	<u>\$ 325,636</u>	<u>\$ (273,098)</u>

The deferred outflows of resources related to pensions, totaling \$36,058, resulting from District contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30:	Amount
2026	\$ 91,337
2027	(39,422)
2028	(28,594)
2029	(6,841)
2030	-
Thereafter	-
Total	<u>\$ 16,480</u>

Actuarial Assumptions – The total pension liability in the July 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.50%, average, including inflation
Discount rate	6.70%

Mortality rates were based on the PUB-2010 base table which varies by member category and sex, projected generationally with Scale MP-2021. The actuarial assumptions used in the July 1, 2025, valuation were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

NOTE 8 –FLORIDA RETIREMENT SYSTEM (FRS) (Continued)

FRS Pension Plan (Continued)

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Arithmetic Return	(Geometric) Return	Standard Deviation
Cash	1.0%	3.2%	3.2%	1.1%
Fixed income	29.0%	5.5%	5.4%	4.0%
Global equity	45.0%	8.5%	6.9%	18.3%
Real estate (property)	12.0%	8.4%	7.1%	16.8%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic investments	2.0%	6.5%	6.1%	8.7%
Total	100.0%			
Assumed inflation - mean			2.4%	1.5%

(1) As outlined in the Plan's investment policy

Discount Rate – The discount rate used to measure the total pension liability was 6.70 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.70%) or 1-percentage-point higher (7.70%) than the current rate:

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
District's proportionate share of net pension liability	\$ 1,347,997	\$ 686,883	\$ 132,614

Pension Plan Fiduciary Net Position – Detailed information about the Plan's fiduciary net position is available in the FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

HIS Pension Plan

Plan Description – The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services.

Benefits Provided – In general, eligible retirees and beneficiaries receive a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

NOTE 8 –FLORIDA RETIREMENT SYSTEM (FRS) (Continued)

HIS Pension Plan (Continued)

Contributions – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2025, the contribution rate was 2% from October 1, 2024 to September 30, 2025, pursuant to section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District's contributions to the HIS Plan totaled \$9,698 for the fiscal year ended September 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2025, the District reported a net pension liability of \$262,642 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. The District's proportionate share of the net pension liability was based on the year ended June 30, 2025 contributions relative to the year ended June 30, 2025 contributions of all participating members. At June 30, 2025, the District's proportionate share was .0020%, an immaterial increase compared to its proportionate share measured as of June 30, 2024.

For the fiscal year ended September 30, 2025, the District recognized pension expense of (\$4,974) related to the HIS Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,568	\$ (417)
Change of assumptions	2,325	(63,526)
Net difference between projected and actual earnings on HIS pension plan investments	-	(219)
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	24,174	(56,271)
District HIS contributions subsequent to the measurement date	5,085	-
Total	<u>\$ 33,152</u>	<u>\$ (120,433)</u>

The deferred outflows of resources related to pensions, totaling \$5,085, resulting from District contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30:	Amount
2026	\$ (24,412)
2027	(26,806)
2028	(22,505)
2029	(13,889)
2030	(4,754)
Thereafter	-
Total	<u>\$ (92,366)</u>

NOTE 8 –FLORIDA RETIREMENT SYSTEM (FRS) (Continued)

HIS Pension Plan (Continued)

Actuarial Assumptions – The total pension liability in the July 1, 2025, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.50%, average, including inflation
Discount rate	5.20%

Mortality rates were based on the PUB-2010 base table which varies by member category and sex, projected generationally with Scale MP-2021. The actuarial assumptions used in the July 1, 2025, valuation were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

Discount Rate – The discount rate used to measure the total pension liability was 5.20%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District's proportionate share of the net pension liability calculated using the discount rate of (5.20%), as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.20%) or 1-percentage-point higher (6.20%) than the current rate:

	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
District's proportionate share of net pension liability	\$ 296,171	\$ 262,642	\$ 234,522

Pension Plan Fiduciary Net Position – Detailed information about the HIS Plan's fiduciary net position is available in the FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

FRS – Defined Contribution Pension Plan

The District contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the SBA and is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report. Service retirement benefits are based upon the value of the member's account upon retirement. The report can be found online at:

<http://www.myfloridacfo.com/Division/AA/Reports>

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected Local Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices.

NOTE 8 –FLORIDA RETIREMENT SYSTEM (FRS) (Continued)

FRS – Defined Contribution Pension Plan (Continued)

Allocations to the investment member's accounts during the 2025 fiscal year were as follows:

Class	Percent of Gross Compensation
FRS, Regular	8.30%
FRS, Senior management	9.67%
FRS, Elected Local Officers	13.34%

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan or remain in the Investment Plan and rely upon that account balance for retirement income.

The District's Investment Plan pension expense totaled \$109,830 for the fiscal year ended September 30, 2025.

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 8, the District offers certain other post-employment benefits in accordance with State statutes ("OPEB"). Current Retirees and those employees who retire and had attained at least 6 years of service as of April 1, 2007 participating in the group insurance plans offered by the District pay 0% of the active premiums for single coverage and are reimbursed 100% for Medical Coverage after attaining Medicare eligibility. Coverage for dependents can be purchased by retirees entirely at their cost. Current employees that had not attained 6 years of service as of April 1, 2007 and all future employees may remain on the District's plan, but they will be required to pay 100% of the active premiums for single coverage upon retirement. Expenditures for post retirement benefits are recognized as retirees report expenses for insurance payments. The annual cost to the District for the fiscal year ended September 30, 2025 was approximately \$62,826.

Pursuant to Section 112.081, Florida Statutes, the District is required to permit eligible retirees and their eligible dependents to participate in the District's health insurance program at a cost to the retiree that is no greater than the cost at which coverage is available for active employees.

Employees covered by the benefit terms. At September 30, 2025, the following employees were covered by benefit terms:

Inactive employees or beneficiaries currently receiving benefits	5
Active employees	19
	<u>24</u>

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions: The net OPEB liability at September 30, 2025 was determined using the following actuarial assumptions:

Valuation date	September 30, 2024										
Measurement date	September 30, 2025										
Actuarial cost method	Entry age cost method (level % of pay)										
Discount rate	4.50 percent. Based on September 30, 2025 S&P Municipal Bond 20 Year High Grade Rate Index										
Inflation	2.5%										
Salary increases	2.5% per annum										
Healthcare cost trend rates	6.75% initial, grading down to the ultimate trend rate of 4.00% in FY 2075										
Mortality rate	PubG-2010 Mortality Table projected to the valuation date using MP-2019										
Retirement rates	100% at age 62										
Termination rates	<table><tr><th>Age</th><th>% remaining employed until assumed retirement age</th></tr><tr><td>20</td><td>29.6%</td></tr><tr><td>30</td><td>59.3%</td></tr><tr><td>40</td><td>84.1%</td></tr><tr><td>50</td><td>100%</td></tr></table>	Age	% remaining employed until assumed retirement age	20	29.6%	30	59.3%	40	84.1%	50	100%
Age	% remaining employed until assumed retirement age										
20	29.6%										
30	59.3%										
40	84.1%										
50	100%										
Health contributions	Under Resolution No. 02-05, if an employee was retired or retires and had attained 6 years of service as of April 1, 2007, the employee pays 0% of the active premium for single coverage. All other current and future employees will be required to pay 100% of the active premium. Coverage for dependents can be purchased by the retiree entirely at their cost.										
Healthcare participation	20% participation assumed (100% for Employees with at least 6 years of service on April 1, 2007) with 50% electing spouse coverage										
Marital status	100% assumed married, with male spouses 3 years older than female spouses										

Under GASB 75 as it applies to plans that qualify for the Alternative Measurement Method, changes in the net OPEB Liability are not permitted to be included in deferred outflows of resources or deferred inflows of resources related to OPEB. These changes will be immediately recognized through OPEB Expense.

Discount Rate: Given the District's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 4.50%. The high-quality municipal bond rate was based on the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor's Ratings Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used.

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in the net OPEB liability during the fiscal year ended September 30, 2025 were as follows:

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance as of September 30, 2024	\$ 817,052	\$ -	\$ 817,052
Changes due to:			
Service cost	6,314	-	6,314
Interest	32,165	-	32,165
Changes of Assumptions	(32,181)	-	(32,181)
Benefit payments and refunds	(62,826)	-	(62,826)
Balance as of September 30, 2025	<u>\$ 760,524</u>	<u>\$ -</u>	<u>\$ 760,524</u>

Sensitivity of the net OPEB liability to changes in the discount rate and health-care cost trend rates- The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.50%) or 1-percentage-point higher (5.50%) than the current discount rate:

Current		
1% Decrease (3.50%)	Discount Rate (4.50%)	1% Increase (5.50%)
<u>\$ 836,931</u>	<u>\$ 760,524</u>	<u>\$ 694,759</u>

Sensitivity of the net OPEB liability to the changes in the healthcare cost trend rates- The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.75 percent decreasing to 3.0 percent) or 1-percentage-point higher (7.75 percent decreasing to 5.0 percent) than the current healthcare cost trend rates:

Healthcare Cost		
1% Decrease 3.00% to 5.75%	Trend Rates 4.00% to 6.75%	1% Increase 5.00% to 7.75%
<u>\$ 676,053</u>	<u>\$ 760,524</u>	<u>\$ 813,073</u>

NOTE 10 – CONTINGENCIES

The District is involved in various claims and litigation arising from the ordinary course of operations.

NOTE 11 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. There was one settled claim during the past three years.

**CENTRAL BROWARD WATER CONTROL DISTRICT
HOLLYWOOD, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

	Budgeted Amounts <u>Original & Final</u>	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Ad valorem taxes	\$ 2,777,424	\$ 2,785,479	\$ 8,055
Other income	377,818	599,709	221,891
Interest income	250,221	342,100	91,879
Miscellaneous income	1,000	17,633	16,633
Total revenues	<u>3,406,463</u>	<u>3,744,921</u>	<u>338,458</u>
EXPENDITURES			
Current:			
General government	2,467,165	1,887,450	579,715
Physical environment	459,000	689,081	(230,081)
Capital outlay	<u>1,428,515</u>	<u>76,091</u>	<u>1,352,424</u>
Total expenditures	<u>4,354,680</u>	<u>2,652,622</u>	<u>1,702,058</u>
Excess (deficiency) of revenues over (under) expenditures	(948,217)	1,092,299	2,040,516
OTHER FINANCING SOURCES			
Use of fund balance	<u>948,217</u>	-	(948,217)
Total other financing sources	<u>948,217</u>	-	(948,217)
Net change in fund balance	<u><u>\$ -</u></u>	1,092,299	<u><u>\$ 1,092,299</u></u>
Fund balance - beginning		<u>7,455,201</u>	
Fund balance - ending		<u><u>\$ 8,547,500</u></u>	

See notes to required supplementary information

**CENTRAL BROWARD WATER CONTROL DISTRICT
HOLLYWOOD, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

The District is required to establish a budgetary system and an approved Annual Budget for the general fund. The District's budgeting process is based on estimates of cash receipts and cash expenditures which are approved by the Board. The budget approximates a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles).

The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Commissioners. Actual expenditures did not exceed appropriations for the fiscal year ended September 30, 2025.

**CENTRAL BROWARD WATER CONTROL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY
AND RELATED RATIOS
SEPTEMBER 30, 2025**

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	\$ 6,314	\$ 6,225	\$ 6,202	\$ 9,745	\$ 10,118	\$ 13,085	\$ 11,170	\$ 12,289
Expected interest growth	32,165	38,440	38,738	23,292	21,848	28,113	30,655	27,951
Difference between expected and actual experience	-	(37,690)	-	9,480	-	(26,312)	-	-
Assumption changes	(32,181)	58,547	(7,560)	(122,607)	(28,678)	273,977	44,135	(40,553)
Benefit payments and refunds	(62,826)	(62,363)	(58,147)	(67,583)	(63,162)	(37,402)	(34,472)	(31,771)
Net change in total OPEB liability	\$ (56,528)	\$ 3,159	\$ (20,767)	\$ (147,673)	\$ (59,874)	\$ 251,461	\$ 51,488	\$ (32,084)
Total OPEB liability - beginning	817,052	813,893	834,660	982,333	1,042,207	790,746	739,258	771,342
Total OPEB liability - ending (a)	\$ 760,524	\$ 817,052	\$ 813,893	\$ 834,660	\$ 982,333	\$ 1,042,207	\$ 790,746	\$ 739,258
Plan Fiduciary Net Position								
Net change in plan fiduciary net position	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position - beginning	-	-	-	-	-	-	-	-
Plan fiduciary net position - ending (b)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's net OPEB liability - ending (a) - (b)	\$ 760,524	\$ 817,052	\$ 813,893	\$ 834,660	\$ 982,333	\$ 1,042,207	\$ 790,746	\$ 739,258
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	\$ 729,013	\$ 711,233	\$ 729,592	\$ 711,797	\$ 890,446	\$ 868,727	\$ 934,601	\$ 889,567
Net OPEB liability as a percentage of covered employee payroll	104.32%	114.88%	111.55%	117.26%	110.32%	119.97%	84.61%	83.10%

Note: Information prior to 2018 is unavailable.

**CENTRAL BROWARD WATER CONTROL DISTRICT
HOLLYWOOD, FLORIDA
FLORIDA RETIREMENT SYSTEM PENSION LIABILITY AND CONTRIBUTION SCHEDULES
SEPTEMBER 30, 2025**

**Schedule of the District's Proportionate Share of the Net Pension Liability -
Florida Retirement System Pension Plan
Last 10 Years (1) (2)**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the FRS net pension liability	0.002213%	0.001689%	0.002153%	0.002580%	0.002765%	0.002654%	0.002884%	0.002773%	0.002678%	0.002683%
District's proportionate share of the FRS net pension liability	\$ 686,883	\$ 653,535	\$ 857,845	\$ 960,001	\$ 208,890	\$ 1,150,070	\$ 993,300	\$ 835,113	\$ 792,074	\$ 677,482
District's covered payroll	\$ 487,213	\$ 571,653	\$ 605,327	\$ 710,601	\$ 799,733	\$ 808,896	\$ 770,827	\$ 749,457	\$ 702,647	\$ 680,663
District's proportionate share of the FRS net pension liability as a percentage of its covered payroll	140.98%	114.32%	141.72%	135.10%	26.12%	142.18%	128.86%	111.43%	112.73%	99.53%
FRS plan fiduciary net position as a percentage of the total pension liability	87.26%	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%

**Schedule of the District's Proportionate Share of the Net Pension Liability -
Health Insurance Subsidy Pension Plan
Last 10 Years (1) (2)**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the HIS net pension liability	0.002049%	0.001875%	0.002099%	0.002498%	0.002628%	0.002694%	0.002674%	0.002599%	0.002556%	0.002538%
District's proportionate share of the HIS net pension liability	\$ 262,642	\$ 281,300	\$ 333,363	\$ 264,608	\$ 322,421	\$ 328,933	\$ 299,198	\$ 275,062	\$ 273,340	\$ 295,847
District's covered payroll	\$ 487,213	\$ 571,653	\$ 605,327	\$ 710,601	\$ 799,733	\$ 808,896	\$ 770,827	\$ 749,457	\$ 702,647	\$ 680,663
District's proportionate share of the HIS net pension liability as a percentage of its covered payroll	53.91%	49.21%	55.07%	37.24%	40.32%	40.66%	38.82%	36.70%	38.90%	43.46%
HIS plan fiduciary net position as a percentage of the total pension liability	6.36%	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%

(1) The amounts presented for each year were determined as of the measurement date, June 30.

(2) Information is only available for the years presented.

**CENTRAL BROWARD WATER CONTROL DISTRICT
HOLLYWOOD, FLORIDA
FLORIDA RETIREMENT SYSTEM PENSION LIABILITY AND CONTRIBUTION SCHEDULES
SEPTEMBER 30, 2025**

**Schedule of the District Contributions -
Florida Retirement System Pension Plan
Last 10 Fiscal Years (1) (2)**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required FRS contribution	\$ 74,527	\$ 79,664	\$ 92,979	\$ 89,662	\$ 93,401	\$ 81,828	\$ 84,229	\$ 75,400	\$ 64,180	\$ 60,865
FRS contributions in relation to the contractually required contribution	(74,527)	(79,664)	(92,979)	(89,662)	(93,401)	(81,828)	(84,229)	(75,400)	(64,180)	(60,865)
FRS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 484,903	\$ 569,328	\$ 602,852	\$ 672,392	\$ 770,903	\$ 814,363	\$ 793,401	\$ 749,457	\$ 702,647	\$ 680,663
FRS contributions as a percentage of covered payroll	15.37%	13.99%	15.42%	13.33%	12.12%	10.05%	10.62%	10.06%	9.13%	8.94%

**Schedule of the District Contributions -
Health Insurance Subsidy Pension Plan
Last 10 Fiscal Years (1) (2)**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required HIS contribution	\$ 9,698	\$ 11,388	\$ 10,006	\$ 11,161	\$ 12,797	\$ 13,518	\$ 13,170	\$ 12,442	\$ 11,663	\$ 11,298
HIS contributions in relation to the contractually required contribution	(9,698)	(11,388)	(10,006)	(11,161)	(12,797)	(13,518)	(13,170)	(12,442)	(11,663)	(11,298)
HIS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 484,903	\$ 569,328	\$ 602,852	\$ 672,392	\$ 770,903	\$ 814,363	\$ 793,401	\$ 749,457	\$ 702,647	\$ 680,663
HIS contributions as a percentage of covered payroll	2.00%	2.00%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%

(1) The amounts presented for each fiscal year were determined as of September 30.

(2) Information is only available for the years presented.

**CENTRAL BROWARD WATER CONTROL DISTRICT
HOLLYWOOD, FLORIDA
OTHER INFORMATION – DATA ELEMENTS
REQUIRED BY FL STATUTE 218.39(3)(C)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025
UNAUDITED**

<u>Element</u>	<u>Comments</u>
Number of district employees compensated in the last pay period of the District's fiscal year being reported.	19
Number of independent contractors compensated to whom nonemployee compensation was paid in the last month of the District's fiscal year being reported.	26
Employee compensation	\$22,325
Independent contractor compensation	\$135,103
Construction projects to begin on or after October 1; (>\$65K)	Not applicable
Budget variance report	See the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
Ad Valorem taxes;	
Millage rate	0.8100
Ad valorem taxes collected	\$2,785,479
Outstanding Bonds:	Not applicable
Non ad valorem special assessments	Not applicable



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners
Central Broward Water Control District
Hollywood, 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 the major fund of Central Broward Water Control District, Hollywood, Florida ("District") as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated June 4, 2026.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a 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 or significant deficiencies may exist that were not 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 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.

June 4, 2026



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY
RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Board of Commissioners
Central Broward Water Control District
Hollywood, Florida

We have examined Central Broward Water Control District, Hollywood, Florida, ("District") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2025. 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 in Section 218.415, Florida Statutes. 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 judgment, 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2025.

This report 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, management, and the Board of Commissioners of Central Broward Water Control District, Hollywood, Florida and is not intended to be and should not be used by anyone other than these specified parties.

June 4, 2026



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

To the Board of Commissioners
Central Broward Water Control District
Hollywood, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of Central Broward Water Control District, Hollywood, Florida (the "District") as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated June 4, 2026.

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 Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 4, 2026, should be considered in conjunction with this management letter.

Purpose of this Letter

The purpose of this letter is to comment on those matters required by Chapter 10.550 of the Rules of the Auditor General for the State of Florida. Accordingly, in connection with our audit of the financial statements of the District, as described in the first paragraph, we report the following:

- I. Current year findings and recommendations.**
- II. Status of prior year findings and recommendations.**
- III. Compliance with the Provisions of the Auditor General of the State of Florida.**

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, as applicable, management, and the Board of Commissioners of Central Broward Water Control District, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank the District and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements, and the courtesies extended to us.

June 4, 2026

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

II. PRIOR YEAR FINDINGS

None

III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2024.

2. Any recommendations to improve the local governmental entity's financial management.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2025.

3. Noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2025.

4. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.
5. The District has not met any of the financial emergency conditions described in Section 218.503(1), Florida Statutes.
6. We applied financial condition assessment procedures and no deteriorating financial conditions were noted. It is management's responsibility to monitor 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.
7. Management has provided the specific information required by Section 218.39(3)(c) in the Other Information section of the financial statements on page 33.