



**FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2025**

**LAKE WORTH DRAINAGE DISTRICT
DELRAY BEACH, FLORIDA**

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4-7
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	8
Statement of Activities	9
Fund Financial Statements:	
Balance Sheet – Governmental Funds	10
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	11
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	12
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	13
Notes to the Financial Statements	14-33
REQUIRED SUPPLEMENTARY INFORMATION	
Schedules of Proportionate Share of Net Pension Liability and Pension Contributions	34-35
Schedule of Changes in the District's Net OPEB Liability and Related Ratios	36
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	37
Notes to Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	38
OTHER INFORMATION	
Data Elements required by FL Statute 218.39 (3) (c)	39
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	40-41
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	42
MANAGEMENT LETTER PURSUANT TO THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA	43-44



INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Lake Worth Drainage District
Delray Beach, 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 Lake Worth Drainage District, Delray Beach, Florida (the "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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

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

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, schedule of changes in the District's net OPEB liability and related ratios be presented to supplement the basic financial statements as shown in the table of contents. 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 May 29, 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.

Grau & Associates

May 29, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Lake Worth Drainage District, Delray Beach, 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.

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 \$99,098,080.
- The change in the District's total net position increased by \$3,038,882. The key components of the District's net position and change in net position are reflected in the table in the following section.
- At September 30, 2025, the District's governmental fund reported ending fund balance of \$65,373,742, an increase of \$3,167,167 in comparison with the prior fiscal year. A portion of fund balance is nonspendable for inventories and prepaid items, committed for insurance, capital expenditures, hazard mitigation, and canal revetment, assigned to subsequent years expenditures, and the remainder is unassigned fund balance which is available for spending at the District's discretion.

USING THIS ANNUAL REPORT

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

Government-Wide Financial Statements

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

The Statement of Net Position presents information on all of the District's assets, 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 District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements include all governmental activities that are principally supported by non-ad valorem assessments. The District does not have any business-type activities. The governmental activities of the District include the physical environment function.

The government-wide financial statements can be found on pages 8-9 of this report.

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

Fund Financial Statements

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

Governmental Funds

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

The District maintains one governmental fund for external reporting. Information is presented 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 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.

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	Percentage Change
Current and other assets	\$ 67,608,929	\$ 64,492,771	5%
Capital assets, net of depreciation	40,745,928	41,474,569	-2%
Total assets	108,354,857	105,967,340	2%
Deferred outflows of resources	1,366,197	1,657,290	-18%
Current liabilities	1,069,313	865,048	24%
Long-term liabilities	6,419,668	7,468,467	-14%
Total liabilities	7,488,981	8,333,515	-10%
Deferred inflows of resources	3,133,993	2,852,712	10%
Net position			
Investment in capital assets	40,745,928	41,474,569	-2%
Unrestricted	58,352,152	54,963,834	6%
Total net position	\$ 99,098,080	\$ 96,438,403	3%

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The District's net position reflects its investment in capital assets (e.g. land, land improvements, and infrastructure); less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to its residents; consequently, these assets are not available for future spending.

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

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 decrease in program revenue is primarily due to a decrease in permit related fees. The decrease in general revenues is primarily due to a decrease in investment earnings from lower interest rates. Total expenses increased due primarily to increasing operating costs, including personnel costs.

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	Percentage Change
Revenues:			
Program revenues			
Charges for services	\$ 16,285,271	\$ 16,949,470	-4%
General revenues			
Unrestricted investment earnings	2,841,194	3,533,784	-20%
Miscellaneous income	99,067	80,811	23%
Gain (loss) on sales/disposal of capital assets	79,419	42,599	86%
Total revenues	<u>19,304,951</u>	<u>20,606,664</u>	<u>-6%</u>
Expenses:			
Physical environment	16,266,069	16,029,804	1%
Total expenses	<u>16,266,069</u>	<u>16,029,804</u>	<u>1%</u>
Change in net position	<u>3,038,882</u>	<u>4,576,860</u>	<u>-34%</u>
Net position - beginning	<u>96,438,403</u>	<u>91,861,543</u>	<u>5%</u>
Effect of adoption of GASB No. 101 (Note 2)	<u>(379,205)</u>	<u>-</u>	
Net position - beginning, restated	<u>96,059,198</u>	<u>91,861,543</u>	<u>5%</u>
Net position - ending	<u>\$ 99,098,080</u>	<u>\$ 96,438,403</u>	<u>3%</u>

GENERAL BUDGETING 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 Supervisors. Actual general fund expenditures for the fiscal year ended September 30, 2025 did not exceed appropriations.

The budgetary comparison schedule can be found on page 37 of this report.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The following table presents the District's capital assets, net of accumulated depreciation, for the years ended September 30, 2025 and 2024:

	2025	2024
Land	\$ 4,222,413	\$ 4,222,413
Construction in progress	236,385	136,656
Buildings and improvements	3,477,602	3,530,860
Machinery and equipment	5,440,329	4,856,348
Canal revetment	13,310,754	13,778,040
Water control structures and pump stations	13,590,679	14,553,975
Furniture, fixtures and office equipment	467,766	396,277
	<u>\$ 40,745,928</u>	<u>\$ 41,474,569</u>

Additional information on the District's capital assets can be found in Note 5 on page 23 of this report.

Debt

The following table presents the District's total long-term liabilities for the years ended September 30, 2025 and 2024:

	2025	2024
Other postemployment benefits	\$ 89,538	\$ 99,020
Compensated absences	914,263	909,712
Net pension liability	6,002,690	7,284,177
	<u>\$ 7,006,491</u>	<u>\$ 8,292,909</u>

Additional information on the District's long-term liabilities can be found in Note 6 on page 23 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

For fiscal year 2025/2026, the District adopted a budget of \$18,590,000 representing a 7.2% increase from the prior year's budget. The assessment rate remained at \$48.50 per acre.

The majority of the increase in revenues and other financing sources came from the increase in the amount of funds carried over from the prior year fund balance from \$1,465,000 to \$2,628,100.

The majority of the increase in expenditures is due to the following:

- Increase in funds allocated to salaries and benefits expenditures from \$9.48 million to \$9.91 million.
- Increase in funds allocated to capital expenditures from \$2.24 million to \$2.76 million.
- Increase in funds allocated to field operation and maintenance expenditures from \$2.97 million to \$3.097 million.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, landowners, 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 Lake Worth Drainage District at 13081 Military Trail, Delray Beach, FL 33484; 561-498-5363.

**LAKE WORTH DRAINAGE DISTRICT
DELRAY BEACH, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025**

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 2,151,451
Investments	62,225,260
Accounts receivable	402,367
Lease receivable	1,903,207
Inventories	517,086
Prepaid items	221,208
Restricted assets:	
Cash and cash equivalents	188,350
Capital assets:	
Nondepreciable	4,458,798
Depreciable, net	36,287,130
Total assets	108,354,857
DEFERRED OUTFLOWS OF RESOURCES	
Pension	1,298,954
OPEB	67,243
Total deferred outflows of resources	1,366,197
LIABILITIES	
Accounts payable and accrued expenses	294,140
Customer deposits	188,350
Non-current liabilities:	
Due within one year	
Compensated absences	586,823
Due in more than one year	
Compensated absences	327,440
OPEB	89,538
Net pension liability	6,002,690
Total liabilities	7,488,981
DEFERRED INFLOWS OF RESOURCES	
Pension	1,370,988
OPEB	10,308
Lease related	1,752,697
Total deferred inflows of resources	3,133,993
NET POSITION	
Investment in capital assets	40,745,928
Unrestricted*	58,352,152
Total net position	\$ 99,098,080

See notes to the financial statements

*See page 10 regarding committed fund balance

**LAKE WORTH DRAINAGE DISTRICT
 DELRAY BEACH, FLORIDA
 STATEMENT OF ACTIVITIES
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Governmental Activities</u>
Primary government:			
Governmental activities:			
Physical environment	\$ 16,266,069	\$ 16,285,271	\$ 19,202
Total governmental activities	<u>16,266,069</u>	<u>16,285,271</u>	<u>19,202</u>
General revenues:			
Investment earnings			2,841,194
Miscellaneous			99,067
Gain (loss) on sales/disposal of capital assets			<u>79,419</u>
Total general revenues			<u>3,019,680</u>
Change in net position			3,038,882
Net position - beginning, as previously stated			96,438,403
Effect of adoption of GASB No. 101 (Note 2)			<u>(379,205)</u>
Net position - beginning, as restated			<u>96,059,198</u>
Net position - ending			<u><u>\$ 99,098,080</u></u>

See notes to the financial statements

**LAKE WORTH DRAINAGE DISTRICT
DELRAY BEACH, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025**

	Major Fund General	Total Governmental Funds
ASSETS		
Cash and cash equivalents	\$ 2,151,451	\$ 2,151,451
Investments	62,225,260	62,225,260
Accounts receivable	402,367	402,367
Lease receivable	1,903,207	1,903,207
Inventories	517,086	517,086
Prepaid items	221,208	221,208
Restricted cash and cash equivalents	188,350	188,350
Total assets	\$ 67,608,929	\$ 67,608,929
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
Liabilities:		
Accounts payable and accrued expenses	\$ 294,140	\$ 294,140
Customer deposits	188,350	188,350
Total liabilities	482,490	482,490
Deferred Inflows of Resources:		
Lease related	1,752,697	1,752,697
Fund Balances:		
Nonspendable:		
Inventories	517,086	517,086
Prepaid items	221,208	221,208
Committed:		
Insurance	2,374,584	2,374,584
Capital expenditures	30,702,858	30,702,858
Hazard mitigation	19,592,948	19,592,948
Canal revetment	1,166,405	1,166,405
Assigned to:		
Subsequent years expenditures	2,628,100	2,628,100
Unassigned	8,170,553	8,170,553
Total fund balances	65,373,742	65,373,742
Total liabilities, deferred inflows of resources and fund balances	\$ 67,608,929	\$ 67,608,929

See notes to the financial statements

**LAKE WORTH DRAINAGE DISTRICT
DELRAY BEACH, FLORIDA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025**

Fund balance - governmental funds \$ 65,373,742

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	76,687,450	
Accumulated depreciation	<u>(35,941,522)</u>	40,745,928

Deferred outflows of resources related to pensions and OPEB are recorded in the statement of net position.	1,366,197
--	-----------

Deferred inflows of resources related to pensions and OPEB are recorded in the statement of net position.	(1,381,296)
---	-------------

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	(6,002,690)	
Compensated absences	(914,263)	
OPEB Liability	<u>(89,538)</u>	<u>(7,006,491)</u>

Net position of governmental activities	<u>\$ 99,098,080</u>
---	----------------------

See notes to the financial statements

**LAKE WORTH DRAINAGE DISTRICT
DELRAY BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

	Major Fund General	Total Governmental Funds
REVENUES		
Assessments	\$ 15,348,769	\$ 15,348,769
Investment earnings	2,841,194	2,841,194
Licenses and permits	936,502	936,502
Miscellaneous	99,067	99,067
Total revenues	19,225,532	19,225,532
EXPENDITURES		
Current:		
Physical environment	14,241,463	14,241,463
Capital outlay	1,903,752	1,903,752
Total expenditures	16,145,215	16,145,215
Excess of revenues over expenditures	3,080,317	3,080,317
OTHER FINANCING SOURCES (USES)		
Proceeds from sales/disposals of capital assets	86,850	86,850
Total other financing sources	86,850	86,850
Net change in fund balances	3,167,167	3,167,167
Fund balances - beginning	62,206,575	62,206,575
Fund balances - ending	\$ 65,373,742	\$ 65,373,742

See notes to the financial statements

**LAKE WORTH DRAINAGE DISTRICT
DELRAY BEACH, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - total governmental funds	\$ 3,167,167
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.	1,903,752
The net effect of various transactions involving the sales/disposals of capital assets is to increase (decrease) net position	(7,431)
The change in compensated absences between the current and prior fiscal year is reported in the statement of activities but is not reported as expenditures in governmental funds.	(4,551)
Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the funds. The details of the differences are as follows:	
Change in net pension liability and deferred inflows and outflows of resources related to pension	606,305
Change in net OPEB liability, deferred inflows, and deferred outflows of resources related to OPEB	(1,398)
Depreciation of capital assets	(2,624,962)
Change in net position of governmental activities	\$ 3,038,882

See notes to the financial statements

**LAKE WORTH DRAINAGE DISTRICT
DELRAY BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY

Lake Worth Drainage District ("District") was originally incorporated and created under Chapter 6458 of the laws of the State of Florida by decree of the Circuit Court of Palm Beach County on June 15, 1915, and now exists under Chapter 09-258, Laws of Florida and amendments thereto. The District was created for the purpose of reclaiming the lands within its boundaries and for the purpose of water control and water supply and to improve said lands and make these lands available, acceptable and habitable for settlement and agriculture.

The District is governed by the Board of Supervisors ("Board"), which is composed of owners of land in the District. The Supervisors are elected by the owners of the property within the District. The supervisors are each elected to a three-year term. Length of service is staggered so that one or more supervisors is elected or re-elected at the annual landowners meeting in January.

The Board has the responsibility for:

1. Assessing and levying 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 District Manager.
6. Financing improvements.

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 are 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 who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment (operating-type non-ad valorem assessments for maintenance and debt service are treated as charges for services) and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not included among program revenues 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 to be 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. For grant revenue, amounts are recognized as revenues as soon as all eligibility requirements have been met. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Assessments

The collection of non-ad valorem assessments is consolidated in the Office of the County Tax Collector. Assessments are levied on November 1st of each year, or as soon thereafter as the tax roll is certified by the County Property Appraiser and delivered to the Tax Collector. All unpaid assessments levied become delinquent April 1st of the following year. Discounts are allowed for early payment at a maximum rate of 4%. At September 30, 2025, unpaid delinquent assessments are not material and have not been recorded by the District.

Assessments and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. The portion of assessments receivable due within the current fiscal period is considered susceptible to accrual as revenue of the current period.

The District reports the following major governmental funds:

General Fund

The general fund is the general operating fund of the District. It is used to account for all financial resources.

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 and investments set aside pursuant to debt covenants or other contractual restrictions.

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 adopted an investment policy in accordance with Florida Statutes to establish guidelines for the efficient management of its cash reserves. The District is authorized to invest in obligations of the U.S. Treasury, Federal agencies and instrumentalities, certificates of deposit and savings accounts, money market funds with the highest credit quality rating from a nationally recognized statistical rating organization (NRSRO), Intergovernmental Pools (LGIPs) with highest quality rating by all NRSROs, Government National Mortgage Association (GNMA) bonds, Other U.S. Government Guaranteed bonds (e.g. AID, GTC), Federal Agency/GSE bonds, Supranationals where the United States is a shareholder and voting member, Corporate Bonds, Municipal Bonds, Agency Mortgage-Backed Securities, Commercial Paper, Asset-Backed Securities, Mutual Funds and Exchange Traded Funds, Florida Local Government Surplus Funds Trust Funds ("Florida Prime"), and other professionally managed mutual funds.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Deposits and Investments (Continued)

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.

Receivables

Receivables are recorded and revenues are recognized when earned.

Inventories and Prepaid Items

Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets are reported in the government 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 \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. Lease agreements that qualify as capital leases are recorded at the present value of their future minimum lease payments as of the inception date.

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

<u>Asset</u>	<u>Years</u>
Canal revetment	50
Water control structures and pump stations	10-50
Buildings and improvements	5-50
Furniture, fixtures and office equipment	5-30
Machinery and equipment	5-20

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Capital Assets (Continued)

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.

Leases

Lessor: The District is a lessor for a noncancellable ground and tower lease. The District recognizes lease receivables and deferred inflows of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Compensated Absences

It is the District's policy to permit employees to accumulate vacation and sick leave. Accrued vacation hours are compensated in full at separation at the employee's current rate of pay up to 240 hours. Sick leave hours may be accumulated without limit for the duration of employment. At the time of separation, employees are paid 25% of their sick leave balance at their current rate of pay, up to 240 hours.

Unearned Revenue

Governmental funds and governmental activities 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. In the fund financial statements, the face amount of debt issued is reported as other financing sources.

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Fund Equity/Net Position

In the fund financial statements, governmental funds report nonspendable 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 Supervisors. Commitments may be changed or lifted only by the Board of Supervisors 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 established by the Board of Supervisors 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.

Implementation of Accounting Pronouncements

The District implemented the following Governmental Accounting Standards Board Statements during the current fiscal year:

GASB 101: Compensated Absences

The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Implementation of Accounting Pronouncements (Continued)

As a result of the implementation of GASB 101, beginning net position was restated as below:

	<u>Governmental Activities</u>
Net position, as previously stated	\$ 96,438,403
Effect of adoption of GASB No. 101	<u>(379,205)</u>
Net position, as restated	<u>\$ 96,059,198</u>

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

NOTE 4 – DEPOSITS AND INVESTMENTS

Deposits

The District's cash balances 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 4 – DEPOSITS AND INVESTMENTS (Continued)

Investments

The District's investments were held as follows at September 30, 2025:

	Amortized Cost	Fair Value	Level	Credit Risk	Weighted Average Maturities
FL PALM Term	\$ 16,529,957	\$ -	N/A	Fitch AA Af/S1	4/1/2026
FL PALM	8,798,320	-	N/A	S&P AAAm	42 days
GS Sq Govt Capital SHS#1859	70,770	-	N/A	S&P AAAm	49 days
US Treasury Notes	-	862,643	1	AA+	12/15/2026
US Treasury Notes	-	1,665,379	1	AA+	1/15/2027
US Treasury Notes	-	1,516,813	1	AA+	2/15/2027
US Treasury Notes	-	1,010,128	1	AA+	3/15/2027
US Treasury Notes	-	433,969	1	AA+	4/15/2027
US Treasury Notes	-	1,081,697	1	AA+	5/15/2027
US Treasury Notes	-	1,812,599	1	AA+	8/15/2027
US Treasury Notes	-	1,096,724	1	AA+	9/15/2027
US Treasury Notes	-	1,381,013	1	AA+	10/15/2027
US Treasury Notes	-	1,590,208	1	AA+	11/15/2027
US Treasury Notes	-	836,501	1	AA+	12/15/2027
US Treasury Notes	-	2,039,456	1	AA+	2/15/2028
US Treasury Notes	-	1,938,961	1	AA+	4/15/2028
US Treasury Notes	-	1,017,504	1	AA+	5/15/2028
US Treasury Notes	-	1,323,549	1	AA+	6/15/2028
US Treasury Notes	-	1,268,517	1	AA+	7/15/2028
US Treasury Notes	-	1,838,732	1	AA+	8/15/2028
Federal Home Loan Mortgage Corporation	-	131,767	2	AA+	7/25/2026
Federal Home Loan Mortgage Corporation	-	104,346	2	AA+	9/25/2026
Federal Home Loan Mortgage Corporation	-	99,606	2	AA+	12/25/2026
Federal Home Loan Mortgage Corporation	-	164,422	2	AA+	1/25/2027
Federal Home Loan Mortgage Corporation	-	248,026	2	AA+	4/25/2027
Federal Home Loan Mortgage Corporation	-	346,337	2	AA+	6/25/2027
Federal Home Loan Mortgage Corporation	-	366,158	2	AA+	7/25/2027
Federal Home Loan Mortgage Corporation	-	241,247	2	AA+	9/25/2027
Federal Home Loan Mortgage Corporation	-	104,560	2	AA+	1/25/2028
Federal Home Loan Mortgage Corporation	-	104,650	2	AA+	2/25/2028
Federal Home Loan Mortgage Corporation	-	230,716	2	AA+	4/25/2028
Federal Home Loan Mortgage Corporation	-	270,798	2	AA+	6/25/2028
Federal Home Loan Mortgage Corporation	-	72,655	2	AA+	10/25/2028
Federal National Mortgage Association	-	111,214	2	AA+	9/25/2026
Federal National Mortgage Association	-	152,169	2	AA+	11/25/2026
Federal National Mortgage Association	-	271,138	2	AA+	7/1/2027
Federal National Mortgage Association	-	153,539	2	AA+	1/25/2028
Federal National Mortgage Association	-	180,188	2	AA+	5/25/2028
African Development Bank Notes	-	342,087	2	AAA	1/4/2027
Inter-American Development Bank Note	-	385,640	2	AAA	2/1/2027
State of CT Note	-	66,697	2	AA-	5/15/2026

Continued

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

	Amortized Cost	Fair Value	Level	Credit Risk	Weighted Average Maturities
Corporate Notes					
Apple	-	350,102	2	AA+	2/23/2026
Microsoft	-	545,365	2	AAA	8/8/2026
Johnson & Johnson	-	562,975	2	AAA	3/1/2028
Asset-backed securities					
Ally Auto Receivables Trust	-	45,607	2	AAA	5/17/2027
Ally Auto Receivables Trust	-	122,000	2	Moody's Aaa	5/15/2028
Ally Auto Receivables Trust	-	104,375	2	AAA	12/15/2028
Ally Auto Receivables Trust	-	105,446	2	AAA	7/16/2029
Ford Credit Auto	-	11,624	2	AAA	12/15/2026
Ford Credit Auto	-	121,590	2	Moody's Aaa	12/15/2028
Ford Credit Auto	-	63,160	2	AAA	9/15/2028
Mercedes-Benz Auto Receivables Trust	-	253,987	2	AAA	11/15/2027
Mercedes-Benz Auto Receivables Trust	-	59,292	2	AAA	11/15/2028
Daimler Trucks Retail Trust	-	75,671	2	Moody's Aaa	12/15/2027
Nissan Auto Receivables Owner Trust	-	39,922	2	Moody's Aaa	3/15/2028
Nissan Auto Receivables Owner Trust	-	268,714	2	Moody's Aaa	12/15/2028
Nissan Auto Receivables Owner Trust	-	258,551	2	Moody's Aaa	12/17/2029
Honda Auto Receivables Owner Trust	-	35,481	2	Moody's Aaa	6/21/2028
Honda Auto Receivables Owner Trust	-	140,832	2	AAA	8/15/2028
Honda Auto Receivables Owner Trust	-	238,641	2	AAA	11/20/2028
Honda Auto Receivables Owner Trust	-	75,396	2	Moody's Aaa	10/15/2029
Toyota Auto Receivables Owner Trust	-	164,665	2	Moody's Aaa	2/15/2028
Toyota Auto Receivables Owner Trust	-	246,870	2	AAA	8/15/2028
Toyota Auto Receivables Owner Trust	-	50,440	2	AAA	10/16/2028
Toyota Auto Receivables Owner Trust	-	213,694	2	AAA	1/16/2029
Hyundai Auto Receivables Trust	-	162,426	2	AAA	4/17/2028
Hyundai Auto Receivables Trust	-	67,864	2	AAA	10/16/2028
Hyundai Auto Receivables Trust	-	70,850	2	AAA	2/15/2029
Hyundai Auto Receivables Trust	-	116,509	2	AAA	3/15/2029
Hyundai Auto Receivables Trust	-	222,102	2	AAA	10/15/2029
John Deere Owner TR	-	90,847	2	Moody's Aaa	5/15/2028
Fifth Third Auto TR	-	121,374	2	AAA	8/15/2028
American Exp Cred	-	167,532	2	AAA	9/15/2028
Bank of America CC	-	50,725	2	Moody's Aaa	11/15/2028
Chase Issuance TR	-	162,296	2	AAA	9/15/2028
John Deere Owner TR	-	60,784	2	Moody's Aaa	11/15/2028
John Deere Owner TR	-	200,736	2	Moody's Aaa	6/15/2029
John Deere Owner TR	-	122,251	2	Moody's Aaa	3/15/2029
John Deere Owner TR	-	196,438	2	Moody's Aaa	9/17/2029
Ford Credit Auto	-	259,340	2	Moody's Aaa	4/15/2029
GM Financial Consumer Automobile Receiv	-	25,209	2	Moody's Aaa	12/18/2028
GM Financial Consumer Automobile Receiv	-	96,076	2	AAA	3/16/2029
GM Financial Consumer Automobile Receiv	-	137,000	2	AAA	4/16/2029
GM Financial Consumer Automobile Receiv	-	106,382	2	Moody's Aaa	12/17/2029
GM Financial Consumer Automobile Receiv	-	60,564	2	AAA	4/16/2030
Chase Issuance TR	-	187,130	2	AAA	1/16/2029
WF Card Issuance Trust	-	218,588	2	AAA	2/15/2029
WF Card Issuance Trust	-	166,678	2	AAA	10/15/2029
WF Card Issuance Trust	-	243,028	2	AAA	5/15/2030
World Omni Auto Trust	-	52,636	2	AAA	2/15/2029
World Omni Auto Trust	-	120,985	2	AAA	3/15/2029
World Omni Auto Trust	-	167,279	2	AAA	3/15/2030
BMW Vehicle Lease Trust	-	146,834	2	AAA	2/26/2029
BMW Vehicle Lease Trust	-	55,461	2	AAA	6/26/2028
American Exp Cred	-	312,012	2	AAA	4/15/2029
American Exp Cred	-	177,811	2	AAA	7/15/2029
American Exp Cred	-	237,692	2	AAA	4/15/2030
Bank of America CC	-	285,360	2	AAA	5/15/2029
CNH Equip Trust	-	70,757	2	AAA	6/15/2029
CNH Equip Trust	-	311,187	2	Moody's Aaa	1/15/2030
CNH Equip Trust	-	242,804	2	AAA	8/15/2030
Capital One Financial Corp	-	315,913	2	AAA	9/15/2029
Total Investments	\$ 25,399,047	\$ 36,826,213			

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Custodial credit risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The District requires all investment securities to be held in the District's name by a third-party safekeeping institution.

Credit risk – For investments, credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investment ratings by investment type are included in the preceding summary of investments.

The District's investment policy limits investments in corporate and municipal bonds, asset-backed securities, money market funds, and intergovernmental investment pools to the top ratings issued by nationally recognized statistical rating organizations (NRSRO) of the United States

Concentration risk – Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single issuer. The District's investment policy places limits on the amount the District may invest in any one issuer.

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investment policy limits investment maturities by investment type as a means of managing exposure to fair value losses arising from increasing interest rates.

Fair Value Measurement – When applicable, the District measures and records its investments using fair value measurement guidelines established in accordance with GASB Statements. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques.

These guidelines recognize a three-tiered fair value hierarchy, in order of highest priority, as follows:

- *Level 1:* Investments whose values are based on unadjusted quoted prices for identical investments in active markets that the District has the ability to access;
- *Level 2:* Investments whose inputs - other than quoted market prices - are observable either directly or indirectly; and,
- *Level 3:* Investments whose inputs are unobservable.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the entire fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

Money market investments that have a maturity at the time of purchase of one year or less and are held by governments other than external investment pools should be measured at amortized cost. For external investment pools that qualify to be measured at amortized cost, the pool's participants should also measure their investments in that external investment pool at amortized cost for financial reporting purposes. Accordingly, the District's investments in FL Palm have been reported at amortized cost above.

NOTE 5 – CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
<u>Governmental activities</u>					
Capital assets, not being depreciated					
Land and improvements	\$ 3,372,932	\$ -	\$ -	\$ -	\$ 3,372,932
Land under assignment rights	849,481	-	-	-	849,481
Work in progress:					
Furniture, fixtures, and office equipment	-	32,250	-	-	32,250
Water control structures and pump stations	136,656	67,479	-	-	204,135
Total capital assets, not being depreciated	4,359,069	99,729	-	-	4,458,798
Capital assets, being depreciated					
Buildings and improvements	7,276,104	229,374	-	-	7,505,478
Machinery and equipment	10,434,772	1,389,843	(272,704)	-	11,551,911
Canal revetment	23,364,303	-	-	-	23,364,303
Water control structures and pump stations	28,692,852	-	-	-	28,692,852
Furniture, fixtures, and office equipment	962,840	184,806	(33,538)	-	1,114,108
Total capital assets, being depreciated	70,730,871	1,804,023	(306,242)	-	72,228,652
Less accumulated depreciation for:					
Buildings and improvements	(3,745,244)	(282,632)	-	-	(4,027,876)
Machinery and equipment	(5,578,424)	(798,431)	265,273	-	(6,111,582)
Canal revetment	(9,586,263)	(467,286)	-	-	(10,053,549)
Water control structures and pump stations	(14,138,877)	(963,296)	-	-	(15,102,173)
Furniture, fixtures, and office equipment	(566,563)	(113,317)	33,538	-	(646,342)
Total accumulated depreciation	(33,615,371)	(2,624,962)	298,811	-	(35,941,522)
Total capital assets, being depreciated, net	37,115,500	(820,939)	(7,431)	-	36,287,130
Governmental activities capital assets	\$ 41,474,569	\$ (721,210)	\$ (7,431)	\$ -	\$ 40,745,928

Depreciation expense was charged to the Physical Environment function.

NOTE 6 – LONG-TERM LIABILITIES

Changes in long-term liability activity for the fiscal year ended September 30, 2025 were as follows:

	Beginning Balance (Restated)	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
Compensated absences:					
Vacation accrual	\$ 451,353	\$ -	\$ 10,035	\$ 441,318	\$ 441,318
Sick leave accrual	458,359	14,586	-	472,945	145,505
Other postemployment	99,020	-	9,482	89,538	-
Net pension liability	7,284,177	-	1,281,487	6,002,690	-
Total	\$ 8,292,909	\$ 14,586	\$ 1,301,004	\$ 7,006,491	\$ 586,823

NOTE 7 – LEASES

Through a series of agreements with various cell phone companies and ATC Sequoia LLC (American Tower), the District has entered into a ground and tower lease agreement with American Tower, who has assumed the responsibility for managing the parcel and any further lease agreement with cell phone companies. The current agreement is a five-year agreement with three additional options for five-year renewals, at an approximate annual revenue of \$120,000. As of September 30, 2025, the value of the lease receivable is \$1,903,207. The value of the deferred inflow of resources as of September 30, 2025 was \$1,752,697. The District also recognized interest receivable of \$48,104 at September 30, 2025, and the District recognized lease revenue and interest revenue related to the lease of \$113,688 and \$73,384, respectively, during the fiscal year.

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (OPEB)

Pursuant to Section 112.0801, 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.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Although the valuation results are based on values the actuarial consultant believes are reasonable assumptions, the valuation result is only an estimate of what future costs may actually be and reflect a long-term perspective. Deviations in any of several factors, such as future interest rate discounts, medical cost inflation, Medicare coverage risk, and changes in marital status, could result in actual costs being greater or less than estimated.

Plan Description

The District administers a single-employer defined benefit health care plan that provides health care benefits to eligible retired employees (the “Plan”). The Board of Supervisors is authorized to establish and amend benefit levels, subject to the minimum requirements set forth by Florida Statutes, and to approve the actuarial assumptions used in the determination of contribution levels. The District determines the required contribution on a pay-as-you-go basis.

At September 30, 2025, the measurement date of the most recent valuation, the following employees were covered by benefit terms:

Actives (covered)	86
Actives (not covered)	6
Retirees (covered)	2
	<u>94</u>

Changes in Net OPEB Liability

Sources of changes in the net OPEB liability were as follows:

	<u>Total OPEB Liability</u>	<u>Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balance as of September 30, 2024	\$ 99,020	\$ -	\$ 99,020
Changes due to:			
Service cost	2,795	-	2,795
Interest	3,752	-	3,752
Experience losses (gains)	4,120	-	4,120
Changes of assumptions	4,613	-	4,613
Benefit payments and refunds	(24,762)	-	(24,762)
Balance as of September 30, 2025	<u>\$ 89,538</u>	<u>\$ -</u>	<u>\$ 89,538</u>

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (Continued)

Actuarial Methods and Assumptions

Significant actuarial assumptions used to calculate the total OPEB were as follows:

Valuation date	October 1, 2025
Measurement date	September 30, 2025
Actuarial valuation method	Entry age normal
Retirement Rates	
Age	Percent
56-61	10%
62-64	20%
65	100%
Discount Rate	4.50% per annum based on the S&P Municipal Bond 20 Year High Grade Rate Index as of September 30, 2025.
Salary increases	3.00% per annum
Plan participation	10% of future eligible retirees are assumed to elect medical coverage upon retirement.
Marital status	Actual spouse participation and dates of birth were used for retirees. For actives, 50% of future retirees are assumed to elect spouse coverage at retirement. Actual spouse dates of birth were used where available, otherwise male spouses were assumed to be three years older than female spouses.
Medical claims cost, pre-65	Retiree/spouse \$21,617
Healthcare cost trend rate	Medical: 8.00% in 2026 grading to 5.75% over 3 years and following the Getzen model thereafter to an ultimate rate of 4.04% in the year 2075
Retiree contributions - medical plan	Retirees and their spouses are assumed to contribute the full group premium rate. A blended group premium rate was calculated based on actual plan election information in the census data. Retiree contributions were assumed to increase at the health care cost trend rate.
	Retiree Spouse
Pre-65	\$9,620 \$12,703
Administrative expenses	Administrative costs are assumed to be included in the medical claims cost.
Retirement eligibility	Employees become eligible for benefits under the plan upon attainment of 30 years of service or age 62 if employed prior to July 1, 2011; if employed after July 1, 2011, the employee must be age 65 or have attained 33 years of service to retire. Actives must be covered at the time of retirement to be eligible for post-employment benefits.
Spouse coverage	Benefits for spouses cease at the earlier of spouse age 65 or cessation of retiree coverage. Actual retiree spousal information was provided in the census data and used for valuation purposes.
Funding policy	Benefits of the plan are provided through a fully-insured medical program through Cigna Healthcare. Contributions by participating retired employees, at rates determined by the District, are required for continued participation. The employer has not contributed any amounts to finance future benefits under the plan for either current or future retirees.
Amortization period	20 years (closed). Experience gains or losses are amortized over the average working lifetime of all participants which for the current period is 6 years. Plan amendments are recognized immediately. Changes in actuarial assumptions are amortized over the average working lifetime of all participants.
Changes in Assumptions	The discount rate is 4.50% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of September 30, 2025 under Statement No. 75, compared to the prior discount rate of 4.87%. The assumed trend rate for the medical claims was changed to 8.00% in 2026, grading to 5.75% over 3 years, and following the Getzen model thereafter until reaching an ultimate rate of 4.04% in the year 2075. Withdrawal rates were changed to select rates of 20% per year with a 3 year select period and ultimate rates of 65% of the SOA Small Plan Age Table up to age 50 with 0% thereafter.

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (Continued)

Deferred outflows and inflows of resources

At September 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows and Inflows of Resources
Experience losses (gains)	59,172	(162)	59,010
Changes of assumptions	8,071	(10,146)	(2,075)
	<u>\$ 67,243</u>	<u>\$ (10,308)</u>	<u>\$ 56,935</u>

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending September 30,	Net Deferred Outflows and Inflows of Resources
2026	\$ 19,612
2027	10,300
2028	10,300
2029	10,300
2030	10,291
Thereafter	(3,868)
	<u>\$ 56,935</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

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 (3.5%) or 1-percentage-point higher (5.5%) than the current discount rate:

1% Decrease (3.50%)	Current Discount Rate (4.50%)	1% Increase (5.50%)
\$ 96,888	\$ 89,538	\$ 83,061

Sensitivity of the Net OPEB Liability Using Alternative 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 or 1-percentage-point higher than the current healthcare cost trend rates:

1% Decrease 7.0% decreasing to 4.75% over 3 years and following the Getzen model thereafter	Current Healthcare cost rates 8.0% decreasing to 5.75% over 3 years and following the Getzen model thereafter	1% Increase 9.0% decreasing to 6.75% over 3 years and following the Getzen model thereafter
\$ 82,337	\$ 89,538	\$ 98,123

NOTE 9 – RETIREMENT PLAN

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 \$462,137 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.
- Elected Local Officers – Members who hold specified elective offices in local government.
- Senior Management Service Class – Members who hold senior management positions within the District.

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 96 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 9 – RETIREMENT PLAN (Continued)

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:

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>% Value</u>
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
Elected Officers' Class	
Service as elected official of a special district that chose EOC membership for its elected officials	3.00
Senior Management Service Class	2.00

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 current fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Salary</u> <u>October 1, 2024 to June 30, 2025</u>		<u>Percent of Gross Salary</u> <u>July 1, 2025 to September 30, 2025</u>	
	<u>Employee</u>	<u>Employer (1)</u>	<u>Employee</u>	<u>Employer (1)</u>
FRS, Regular	3.00	13.63	3.00	14.03
FRS, Elected Local Officers	3.00	58.68	3.00	54.57
FRS, Senior Management Service Class	3.00	34.52	3.00	33.24
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 2.0% from October 1, 2024 to September 30, 2025. Also, employer rates include .06% for administrative costs of the Investment plan.

The District’s contributions to the Plan totaled \$819,707 for the fiscal year ended September 30, 2025. This excludes the HIS defined benefit pension plan contributions.

NOTE 9 – RETIREMENT PLAN (Continued)

Florida Retirement System (FRS) (Continued)

FRS Pension Plan (Continued)

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 \$4,310,789 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 .014%, which decreased .0001% from its proportionate share measured as of June 30, 2024.

For the fiscal year ended September 30, 2025, the District recognized pension expense of \$370,267 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:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 460,438	\$ -
Change of assumptions	500,595	-
Net difference between projected and actual earnings on FRS pension plan investments	-	(719,730)
Changes in proportion and differences between District FRS contributions and proportionate share of FRS contributions	41,979	(136,935)
District FRS contributions subsequent to the measurement date	224,544	-
Total	<u>\$ 1,227,556</u>	<u>\$ (856,665)</u>

The deferred outflows of resources related to pensions, totaling \$224,544, 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:

<u>Year Ending September 30:</u>	<u>Amount</u>
2026	\$ 651,507
2027	(150,554)
2028	(204,931)
2029	(149,675)
2030	-
Thereafter	-
Total	<u>\$ 146,347</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	3.25%, average, including inflation
Investment rate of return	6.70%, net of pension plan investment expense, including inflation

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 9 – RETIREMENT PLAN (Continued)

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 6.7 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 Position 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	\$ 8,459,856	\$ 4,310,789	\$ 832,270

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 Annual Comprehensive 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 – For the fiscal year ended September 30, 2025, eligible retirees and beneficiaries received 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 9 – RETIREMENT PLAN (Continued)

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 2.0% of payroll from October 1, 2024 through 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 \$103,194 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 \$1,691,901 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, 2024. 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 .013%, which was not significantly different from its proportionate share measured as of June 30, 2024.

For the fiscal year ended September 30, 2025, the District recognized pension expense of (\$19,269) 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:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 10,100	\$ (2,684)
Change of assumptions	14,975	(409,227)
Net difference between projected and actual earnings on HIS pension plan investments	-	(1,408)
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	14,274	(101,004)
District HIS contributions subsequent to the measurement date	32,049	-
Total	<u>\$ 71,398</u>	<u>\$ (514,323)</u>

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued) – The deferred outflows of resources related to pensions, totaling \$32,049, 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:

<u>Year Ending September 30:</u>	<u>Amount</u>
2026	\$ (136,345)
2027	(127,403)
2028	(96,629)
2029	(71,529)
2030	(43,068)
Thereafter	-
Total	<u>\$ (474,974)</u>

NOTE 9 – RETIREMENT PLAN (Continued)

Florida Retirement System (FRS) (Continued)

HIS Pension Plan (Continued)

Actuarial Assumptions – The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Investment rate of return	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, 2024, 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 (4.2%) 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	\$ 1,907,890	\$ 1,691,901	\$ 1,510,754

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.

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 9 – RETIREMENT PLAN (Continued)

Florida Retirement System (FRS) (Continued)

FRS – Defined Contribution Pension Plan (Continued)

Allocations to the investment member’s accounts during the current fiscal year were as follows:

Class	Percent of Gross Compensation October 1, 2024 to June 30, 2025	Percent of Gross Compensation July 1, 2025 to September 30, 2025
FRS, Regular	11.30%	11.30%
FRS, Elected Local Officers	16.34%	16.34%
FRS, Senior Management Service Class	12.67%	12.67%

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 \$111,139 for the fiscal year ended September 30, 2025.

NOTE 10 – DEFINED CONTRIBUTION RETIREMENT PLANS

In December 2024, the District established a voluntary 401(a) plan for employees. The plan provides for contributions of employees’ accumulated vacation and sick time that is paid upon separation, if the amount is not less than \$2,500. The District does not contribute to the plan. Employee contributions for the current fiscal year were approximately \$69,037.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

The District is subject to various lawsuits incidental to its operations, the outcome of which is not presently determinable. In the opinion of management and legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

NOTE 12 – 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 were no material settlements that exceeded insurance coverage in the last three years.

**LAKE WORTH DRAINAGE DISTRICT
DELRAY BEACH, FLORIDA
FLORIDA RETIREMENT SYSTEM NET PENSION LIABILITY AND CONTRIBUTION SCHEDULES
(UNAUDITED)**

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the FRS net pension liability	0.014%	0.014%	0.014%	0.014%	0.015%	0.015%	0.016%	0.015%	0.016%	0.017%
District's proportionate share of the FRS net pension liability	\$ 4,310,789	\$ 5,319,826	\$ 5,675,513	\$ 5,278,235	\$ 1,100,070	\$ 6,438,661	\$ 5,349,186	\$ 4,659,522	\$ 4,814,462	\$ 4,346,414
District's covered payroll	\$ 5,100,575	\$ 4,722,730	\$ 4,690,528	\$ 4,425,102	\$ 4,413,391	\$ 4,607,086	\$ 4,941,138	\$ 4,916,291	\$ 4,966,652	\$ 5,299,353
District's proportionate share of the FRS net pension liability as a percentage of its covered payroll	84.52%	112.64%	121.00%	119.28%	24.93%	139.76%	108.26%	94.78%	96.94%	82.02%
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)**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the HIS net pension liability	0.013%	0.013%	0.013%	0.014%	0.014%	0.015%	0.016%	0.016%	0.017%	0.018%
District's proportionate share of the HIS net pension liability	\$ 1,691,901	\$ 1,964,351	\$ 2,097,819	\$ 1,444,086	\$ 1,717,301	\$ 1,828,457	\$ 1,822,297	\$ 1,728,280	\$ 1,795,334	\$ 2,077,661
District's covered payroll	\$ 5,100,575	\$ 4,722,730	\$ 4,690,528	\$ 4,425,102	\$ 4,413,391	\$ 4,607,086	\$ 4,941,138	\$ 4,916,291	\$ 4,966,652	\$ 5,299,353
District's proportionate share of the HIS net pension liability as a percentage of its covered payroll	33.17%	41.59%	44.72%	32.63%	38.28%	39.69%	36.88%	35.15%	36.15%	39.21%
HIS plan fiduciary net position as a percentage of the total pension liability	6.36%	4.80%	4.12%	4.81%	3.00%	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.

**LAKE WORTH DRAINAGE DISTRICT
 DELRAY BEACH, FLORIDA
 FLORIDA RETIREMENT SYSTEM NET PENSION LIABILITY AND CONTRIBUTION SCHEDULES
 (UNAUDITED)**

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required FRS contribution	\$ 819,707	\$ 763,025	\$ 705,792	\$ 605,438	\$ 539,407	\$ 502,792	\$ 477,973	\$ 435,420	\$ 423,716	\$ 419,778
FRS contributions in relation to the contractually required contribution	(819,707)	(763,025)	(705,792)	(605,438)	(539,407)	(502,792)	(477,973)	(435,420)	(423,716)	(419,778)
FRS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 5,159,649	\$ 4,776,132	\$ 4,730,192	\$ 4,498,503	\$ 4,368,641	\$ 4,718,084	\$ 4,904,012	\$ 4,926,658	\$ 4,959,317	\$ 5,066,334
FRS contributions as a percentage of covered payroll	15.89%	15.98%	14.92%	13.46%	12.35%	10.66%	9.75%	8.84%	8.54%	8.29%

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required HIS contribution	\$ 103,194	\$ 95,522	\$ 82,864	\$ 74,676	\$ 72,520	\$ 78,321	\$ 81,407	\$ 81,783	\$ 88,861	\$ 91,375
HIS contributions in relation to the contractually required contribution	(103,194)	(95,522)	(82,864)	(74,676)	(72,520)	(78,321)	(81,407)	(81,783)	(88,861)	(91,375)
HIS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 5,159,649	\$ 4,776,132	\$ 4,730,192	\$ 4,498,503	\$ 4,368,641	\$ 4,718,084	\$ 4,904,012	\$ 4,926,658	\$ 4,959,317	\$ 5,066,334
HIS contributions as a percentage of covered payroll	2.00%	2.00%	1.75%	1.66%	1.66%	1.66%	1.66%	1.66%	1.79%	1.80%

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

**LAKE WORTH DRAINAGE DISTRICT
DELRAY BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S
NET OPEB LIABILITY AND RELATED RATIOS
(UNAUDITED)**

	2025	2024	2023	2022	2021	2020	2019
Total OPEB Liability							
Beginning balance	\$ 99,020	\$ 120,432	\$ 154,727	\$ 184,428	\$ 111,168	\$ 129,543	\$ 73,595
Service cost	2,795	2,662	3,991	3,801	4,174	3,901	3,646
Interest	3,752	4,598	3,193	3,671	3,175	3,904	2,096
Difference between expected and actual experience	4,120	-	(222)	-	94,015	-	69,865
Assumption changes	4,613	-	(13,950)	-	7,299	-	4,638
Benefit payments and refunds	(24,762)	(28,672)	(27,307)	(37,173)	(35,403)	(26,180)	(24,297)
Ending balance	<u>\$ 89,538</u>	<u>\$ 99,020</u>	<u>\$ 120,432</u>	<u>\$ 154,727</u>	<u>\$ 184,428</u>	<u>\$ 111,168</u>	<u>\$ 129,543</u>
Plan Fiduciary Net Position							
Beginning balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB Liability	<u>\$ 89,538</u>	<u>\$ 99,020</u>	<u>\$ 120,432</u>	<u>\$ 154,727</u>	<u>\$ 184,428</u>	<u>\$ 111,168</u>	<u>\$ 129,543</u>
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%
Covered payroll	\$5,724,554	\$5,348,275	\$5,545,120	\$4,870,836	\$4,728,967	\$5,260,660	\$5,107,437
Net OPEB liability as a percentage of covered payroll	1.56%	1.85%	2.17%	3.18%	3.90%	2.11%	2.54%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments present information for those years for which information is available

**LAKE WORTH DRAINAGE DISTRICT
DELRAY BEACH, 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			
Assessments	\$ 15,159,900	\$ 15,348,769	\$ 188,869
Investment earnings	10,000	2,841,194	2,831,194
Licenses and permits	702,500	936,502	234,002
Miscellaneous	1,000	99,067	98,067
Total revenues	<u>15,873,400</u>	<u>19,225,532</u>	<u>3,352,132</u>
EXPENDITURES			
Current:			
Physical environment	15,109,000	14,241,463	867,537
Capital outlay	2,240,000	1,903,752	336,248
Total expenditures	<u>17,349,000</u>	<u>16,145,215</u>	<u>1,203,785</u>
Excess (deficiency) of revenues over (under) expenditures	(1,475,600)	3,080,317	4,555,917
OTHER FINANCING SOURCES			
Proceeds from sales/disposals of capital assets	10,000	86,850	76,850
Use of fund balance	1,465,600	-	(1,465,600)
Total other financing sources	<u>1,475,600</u>	<u>86,850</u>	<u>(1,388,750)</u>
Net change in fund balance	<u>\$ -</u>	3,167,167	<u>\$ 3,167,167</u>
Fund balances - beginning		<u>62,206,575</u>	
Fund balance - ending		<u>\$ 65,373,742</u>	

See notes to required supplementary information

**LAKE WORTH DRAINAGE DISTRICT
DELRAY BEACH, FLORIDA
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND**

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 Supervisors. Actual general fund expenditures for the fiscal year ended September 30, 2025 did not exceed appropriations.

**LAKE WORTH DRAINAGE DISTRICT
 DELRAY BEACH, 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.	90
Number of independent contractors compensated to whom nonemployee compensation was paid in the last month of the District's fiscal year being reported.	28
Employee compensation for last pay period of the District's fiscal year	\$168,233
Independent contractor compensation in the last month of the fiscal year	\$115,448
Construction projects to begin on or after October 1; (\$65K)	
Aquatics Office Building	Approved Budget \$100,000 Total Fiscal Year Expenditures \$0
Control Structure #16 Gate Replacement	Approved Budget \$300,000 Total Fiscal Year Expenditures \$0
Control Structure #12 Second Pump	Approved Budget \$675,000 Total Fiscal Year Expenditures \$55,606
Control Structure #4 & 8 Radial Gate Replacement	Approved Budget \$350,000 Total Fiscal Year Expenditures \$11,872
Budget variance report	See the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
Ad Valorem taxes;	Not applicable
Non ad valorem special assessments;	
Special assessment rate	\$48.50/acre
Special assessments collected	\$15,348,769
Outstanding Bonds:	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 Supervisors
Lake Worth Drainage District
Delray Beach, 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 Lake Worth Drainage District, Delray Beach, 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 May 29, 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.

Grau & Associates

May 29, 2026



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

1001 Yamato Road • Suite 301
Boca Raton, Florida 33431
(561) 994-9299 • (800) 299-4728
Fax (561) 994-5823
www.graucpa.com

**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 Supervisors
Lake Worth Drainage District
Delray Beach, Florida

We have examined Lake Worth Drainage District, Delray Beach, Florida's ("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.

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 Supervisors of Lake Worth Drainage District, Delray Beach, Florida and is not intended to be and should not be used by anyone other than these specified parties.

Grau & Associates

May 29, 2026



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

To the Board of Supervisors
Lake Worth Drainage District
Delray Beach, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of Lake Worth Drainage District, Delray Beach, Florida ("District"), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated May 29, 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 May 29, 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 Supervisors of Lake Worth Drainage District, Delray Beach, Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank Lake Worth Drainage District, Delray Beach, Florida 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.

Grau & Associates

May 29, 2026

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

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.

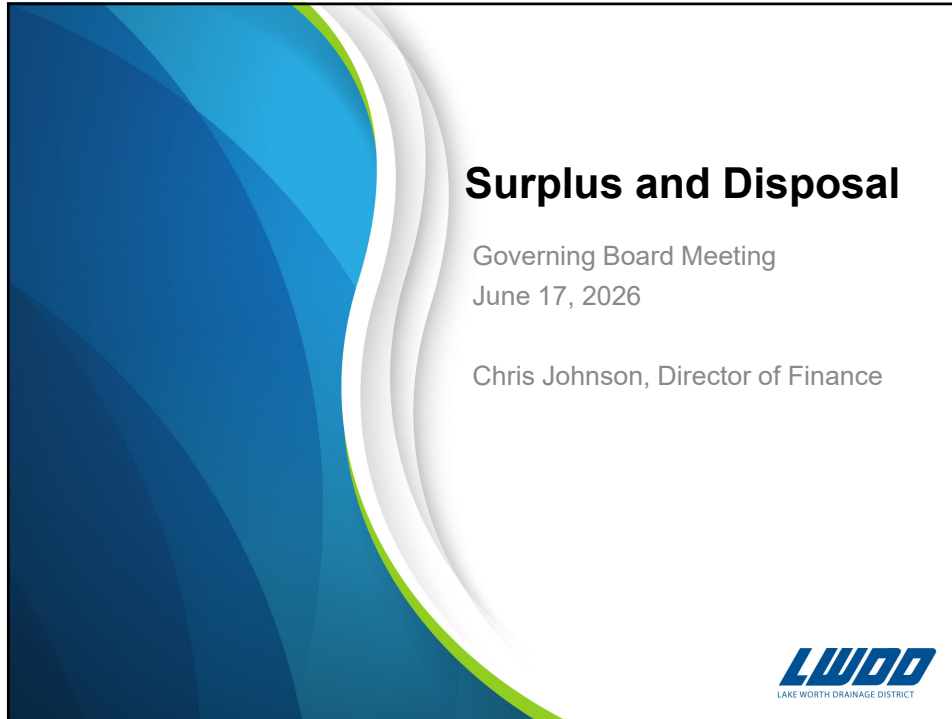
There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2025.

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 as of September 30, 2025. 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 39.


Agenda Item #8



Surplus and Disposal

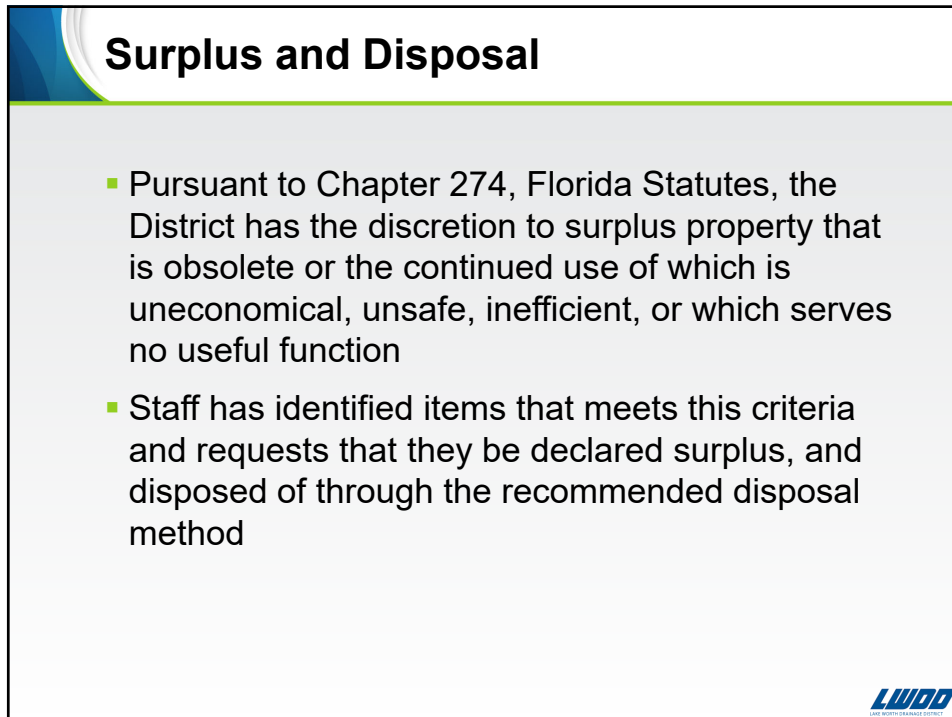
Governing Board Meeting
June 17, 2026

Chris Johnson, Director of Finance




LWDD
LAKE WORTH DRAINAGE DISTRICT

1



Surplus and Disposal

- Pursuant to Chapter 274, Florida Statutes, the District has the discretion to surplus property that is obsolete or the continued use of which is uneconomical, unsafe, inefficient, or which serves no useful function
- Staff has identified items that meets this criteria and requests that they be declared surplus, and disposed of through the recommended disposal method




LWDD
LAKE WORTH DRAINAGE DISTRICT

2

Listing of Items


Asset ID	Description	Original Cost	Acquisition		Recommended Disposal Method
			Date		
Machinery & Equipment					
Office Furniture, Fixtures & Equipment					
1	07563 Switch - Adtran, NetVanta 1544F	2,255.00	7/24/2017		Online Auction Website/Garbage/Recycling Program
2	07576 Computer Tower - Dell	2,750.00	2/1/2018		Online Auction Website/Garbage/Recycling Program
3	07581 Computer Tower - Dell	2,750.00	2/1/2018		Online Auction Website/Garbage/Recycling Program
4	07694 Computer Laptop- Dell Precision 7740	3,011.00	7/1/2020		Online Auction Website/Employee Sale/Garbage/Recycling Program
5	07708 Computer Laptop- Dell Latitude 5420 Rugged	2,176.00	12/14/2020		Online Auction Website/Employee Sale/Garbage/Recycling Program
6	07720 Computer Ipad- Microsoft	1,464.87	9/1/2021		Online Auction Website/Employee Sale/Garbage/Recycling Program
7	07727 Computer Laptop- Dell Precision 7760 CTO	3,515.00	9/3/2021		Online Auction Website/Employee Sale/Garbage/Recycling Program
8	07729 Computer Laptop- Microsoft Surface Pro 7+	1,464.87	11/17/2021		Online Auction Website/Employee Sale/Garbage/Recycling Program
9	07730 Computer Laptop- Microsoft Surface Pro 7+	1,464.87	11/17/2021		Online Auction Website/Employee Sale/Garbage/Recycling Program
10	07737 Computer - Dell Precision 5820 Tower XCTO Base	2,520.76	3/9/2022		Online Auction Website/Garbage/Recycling Program
11	07740 Computer Workstation - Dell	1,108.02	5/17/2022		Online Auction Website/Garbage/Recycling Program
12	07742 Computer Workstation - Dell	1,108.02	5/17/2022		Online Auction Website/Garbage/Recycling Program
13	07743 Computer Workstation - Dell	1,108.02	5/17/2022		Online Auction Website/Garbage/Recycling Program
14	07744 Computer Workstation - Dell	1,108.02	5/17/2022		Online Auction Website/Garbage/Recycling Program
15	07746 Computer Workstation - Dell	1,108.02	5/17/2022		Online Auction Website/Garbage/Recycling Program
16	07748 Computer Workstation - Dell	1,108.02	5/17/2022		Online Auction Website/Garbage/Recycling Program
17	07749 Computer Workstation - Dell	1,108.02	5/17/2022		Online Auction Website/Garbage/Recycling Program
18	07765 Computer Laptop - Dell	1,838.60	5/5/2022		Online Auction Website/Employee Sale/Garbage/Recycling Program
19	07766 Computer Laptop - Dell	1,838.60	5/5/2022		Online Auction Website/Employee Sale/Garbage/Recycling Program
20	07767 Computer Workstation - Dell	1,390.95	5/5/2022		Online Auction Website/Garbage/Recycling Program
		36,196.66			



3

Staff Recommendation

Declare listed items surplus and authorize disposal of items through the recommended disposal method.



4

Request for Pre-Qualifications (RFPQ) for Tree & Vegetation Removal Services July 2026– June 2027

RFPQ #26-9381L.07

Michelle Sinclair, Finance & Procurement Coordinator

Board Meeting
June 17, 2026
Agenda Item #9



1

Background



- June 2025- Board approved eleven (11), Pre-Qualified Contractors for isolated tree removal following encroachment removals or to assist LWDD Crews as needed from July 2025 – June 2026.
- In 2026/2027, Contractors may be utilized for isolated tree removal following encroachment removals or to assist LWDD Crews as needed.
- Respondents were required to demonstrate the following:
 - Five (5) years of related experience with a minimum of five (5) references
 - Trained personnel on-staff
 - Owned or leased equipment able to perform the work
 - Company in good standing in the State of Florida
 - Minimum required insurance coverages and naming LWDD as additional insured

2

RFPQ Schedule



- ✓ May 13– Broadcast RFPQ on ENUA OpenBids
- ✓ June 8– Qualification Packages Due
- June 17 – Board approval of Pre-Qualified Contractors

3

Pre-Qualified Contractors



- 11 Contractors responded – 9 Qualified Contractors

	Company Name	Completed Previous LWDD Projects
1.	Coco Tree Service	Yes
2.	Earth Balance	No
3.	East Coast Industries	No
4.	Ground Level	No
5.	Sage Services	No
6.	Sherlock Tree Company	Yes
7.	Tigris Aquatic Services	No
8.	Tree Cycle Land Clearing	Yes
9.	Zulu Marine Services, Inc.	No

NON-RESPONSIVE/Responsible:

Service Queen– Incomplete package submitted.

Southeast Land & Water Management– lacking experience & equipment

4

Staff Recommendation



- Approval of list of Pre-Qualified Contractors to perform hazardous and exotic Tree & Vegetation Removal services, as needed, during a one-year period from July 2026 to June 2027.

Request for Pre-Qualifications (RFPQ) for Aquatic Vegetation Control Services July 2026 - June 2027

RFPQ No. 26-9381L.08

Michelle Sinclair, Finance & Procurement Coordinator

Board Meeting
June 17, 2026
Agenda Item #10



1

Background



- June 2025 – Board approved six (6) Pre-Qualified Contractors for Aquatics Vegetation Control Services, as needed, from June 2025 – July 2026.
- In 2026/2027 Contractor services may be utilized to assist District staff with spot treating designated areas, as needed, to effectively treat and control aquatic vegetation while actively maintaining the low maintenance rights-of-way.
- Respondents were required to demonstrate the following:
 - Five (5) years of related experience with a minimum of five (5) references
 - Trained personnel on-staff with aquatics pesticide license(s)
 - Owned or leased equipment able to perform the work
 - Company in good standing in the State of Florida
 - Minimum required insurance coverages and naming LWDD as additional insured

2

RFPQ Schedule



- ✓ May 13– Broadcast RFPQ on ENUA OpenBids
- ✓ June 8– Qualifications packages due
- June 17 – Board approval of Pre-Qualified Contractors

3

Pre-Qualified Contractors



- 8 Contractors responded – 5 Qualified Contractors

	Company Name	Completed Previous LWDD Projects
1.	Aquatic Vegetation Control Group, Inc.	Yes
2.	Bio-Tech Consulting, LLC	No
3.	Ground Level, Inc.	No
4.	Sage Services, Inc.	NO
5.	Southeast Land & Water Management	Yes

NON-RESPONSIVE:

Kerner Environmental – failed to submit proof of 5 years of experience, resume, complete list of references and current Certification of Good Standing.

Zulu Marine Services– failed to submit Personnel with Aquatic Pesticide License & resume.

Solitude Lake Management – Failed to provide Certificate of Good Standing.

4

Staff Recommendation



- Approval of list of Pre-Qualified Contractors to perform Aquatic Vegetation Control Services, as needed, during a one-year period from July 2026 to June 2027.

Invitation to Bid (ITB) for the Purchase of Variable Frequency Drive CS# 12 Pump ITB #26-9381L.06

Joe Spetla, Section Lead Operations and
Maintenance

Board Meeting
June 17, 2026
Agenda Item #11



1

Background



- Variable Frequency Drive for second pump at Control Structure #12



2

ITB schedule and project timeline



ITB Schedule

- ✓ May 8- Broadcast ITB on ENUA OpenBids
- ✓ May 21- Questions and Clarifications
- ✓ June 5 – Bids due
- June 17– Board approval

Project Timeline

Contractor responsible for delivery of Variable Frequency Drive no later than 25 weeks from approved submittals.

3

Bid Responses



- In response to the ITB, two (2) bids were received. One (1) responsive and one (1) non-responsive.

	Contractor Name	Bid Amount
1.	Mills Electric Service Inc.	\$277,485.00

- Non-responsive/responsible Bid:
 - L&S Electric - did not meet the requirements of the ITB, Exhibit A Specifications, as it was not a fully OEM-manufactured Eaton drive. Instead, the proposed equipment was a UL 508 shop-assembled drive utilizing Eaton components.
- Board approved budget for this phase (engineering, pump & VFD), \$675,000
- Installation Proposed in FY27
- Lowest bid received is \$277,485.00

4

Staff Recommendation



- Approval to award bid to the lowest responsive and responsible vendor – Mills Electric Service, Inc. \$277,485.00

Invitation to Bid (ITB) for Overhead to Underground Power Relocation – Main Campus

ITB #26-5947L.20

Joe Spetla, Section Lead Operations and
Maintenance

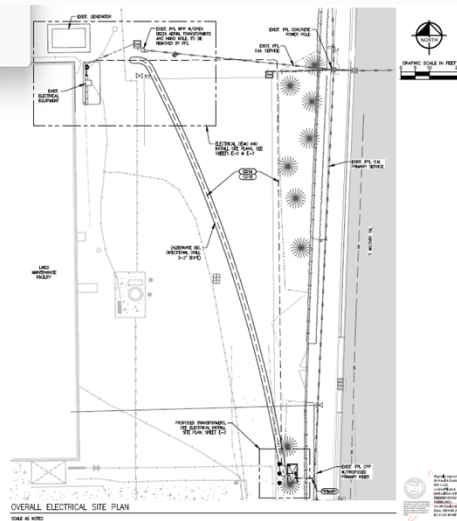
Board Meeting
June 17, 2026
Agenda Item #12



1

Background

- Current Power supply to shop is provided via Overhead service which is vulnerable to storm damage
- Board discussed & authorized work under previous budget.
- Initial Engineering review began Jan. 2025
- Following Engineering Design, FPL Review and PBC Permitting, project was approved and placed out to bid May 2026.



2

ITB schedule and project timeline



ITB Schedule

- ✓ May 4- Broadcast ITB on ENUA OpenBids
- ✓ May 21- Questions and Clarifications
- ✓ June 8 – Bids due
- June 17– Board approval

Project Timeline

- Pre-Construction Meeting June 22, 2026.
- Project completion and inspections passed by September 14, 2026.

3

Bid Responses



- In response to the ITB, three (3) bids were received. One (1) responsive and two (2) non-responsive.

	Contractor Name	Bid Amount
1.	Ferreira Construction Co. Inc.	\$64,555.00 – Directional Drill Installation

- **Non-Responsive/Responsible bids:**
 - Elite Electrical Concepts – Did not complete mandatory site visit
 - Utilities One, Inc. – Did not submit Certificate of Good Standing and conflicting bid amounts. Bidder was given opportunity to provide/clarify but was non-responsive
- Board approved budget \$85,000
- Lowest bid received is \$64,555.00

4

Staff Recommendation



- Approval to award bid to the lowest responsive and responsible vendor – Ferriera Construction Co, Inc. \$64,555.00

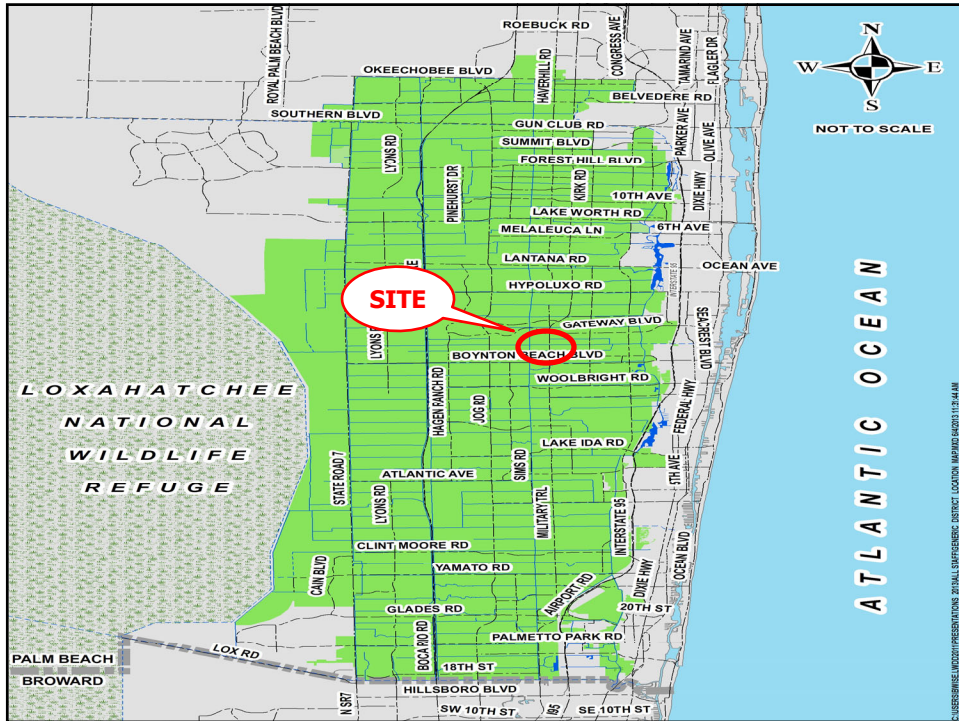
Approval to issue a three-year permit extension for the Five (5) Existing Monitoring Wells within the south right-of-way of the CSW Canal and One (1) Temporary Monitoring Well within the south right-of-way of the L-23 Canal – for the redevelopment of the Cypress Creek Golf Course

LWDD Project No. RW-25-0151

Nicole Smith, Permit Supervisor
Governing Board Meeting – June 17, 2026
Agenda Item #13



1



2

Background



- Toll Brothers, Inc. is in the process of acquiring the Cypress Creek Golf Course
- FDEP requested Toll Brothers, Inc. to install monitor wells and evaluate groundwater quality – *Wells have been installed*
- Samples will be collected quarterly, as required by FDEP – *Collection still ongoing*
- When monitoring is complete as determined by FDEP, the wells will be removed/abandoned, and the right-of-way restored
- Monitoring Wells have not impeded LWDD access or maintenance operations
- Monitoring Wells will be installed using direct push technology with a track mounted Geoprobe rig with augers – *Installation Completed*
- Monitoring Well installation, sampling, and abandonment will be completed at the expense of Toll Brothers, Inc.

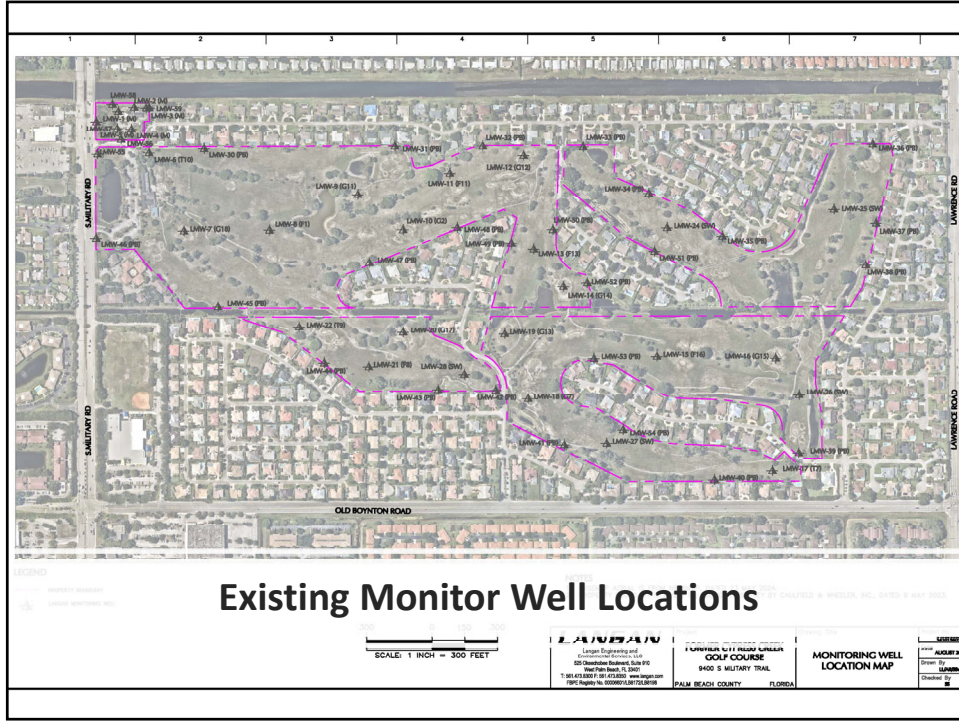
3

Background...

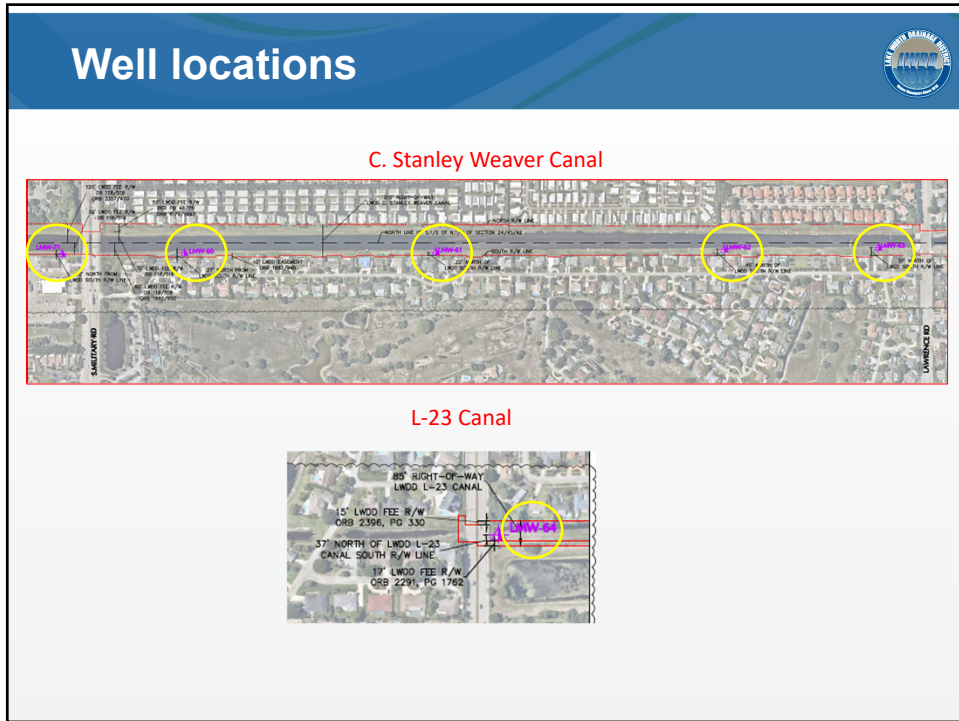


- LWDD Board of Supervisors approved the installation at the August 13, 2025, board meeting
- The extension, if granted, will allow the permittee the time needed to complete the continued monitoring required by FDEP
- Permittee is requesting a three-year extension until August 2029
- No additional wells or facilities will be installed within LWDD rights-of-way, all facilities are existing

4

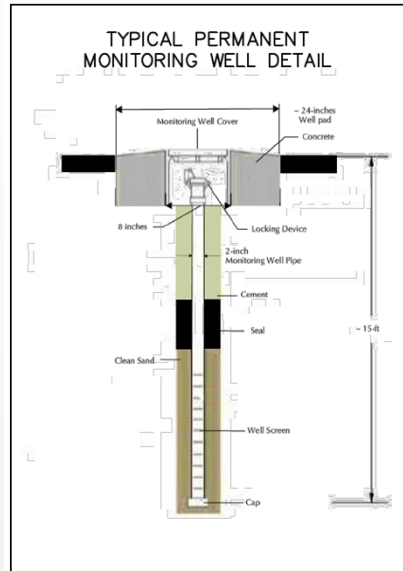


5



6

Monitoring Well



7

Staff Recommendation



- Approval to issue a three-year extension for the existing Right-of-Way Permit to Toll Brothers, Inc. for the existing Six (6) Temporary Monitoring Wells within the CSW and L-23 Canal Rights-of-way
- Subject to:
 - Certificate of Liability Insurance (listing LWDD as an "Additional Insured") (*Provided*)
 - No additional Monitoring Wells to be installed within the rights-of-way
 - LWDD Operating Policies & Permit Conditions
 - Permit Extension Fee \$300.00 (*Paid*)

8

LAKE WORTH DRAINAGE DISTRICT
BUDGET WORKSHEET - FIRST DRAFT
FISCAL YEAR 2027 10/01/2026 - 09/30/2027

Increase Increase
(decrease) % (decrease) %

Forecast Budget
2025/2026 to 2025/2026 to
Budget Budget
2026/2027 2026/2027

REVENUES

NON-AD VALOREM ASSESSMENTS

		ACTUAL 2024/2025	BUDGET 2025/2026	FORECAST 2025/2026	BUDGET 2026/2027	NOTES		
Assessments - Current	31910	15,897,736	15,929,000	15,929,000	15,989,000	329,665 Parcels @\$48.50	0.4%	0.4%
Discount on assessments	31920	(552,933)	(637,200)	(637,200)	(639,600)	4% of Assessments	0.4%	0.4%
Commissions - PBC Tax Collector	31930	(149,956)	(159,200)	(159,200)	(159,800)	1% of Assessments	0.4%	0.4%
Tax Roll Preparation - PBC Property Appraiser	31940	(150)	(200)	(150)	(200)		33.3%	0.0%
Tax Roll Processing - PBC Information Systems Services (ISS)	31945	(7,700)	(4,000)	(3,850)	(4,000)		3.9%	0.0%

Total NON-AD VALOREM ASSESSMENTS

15,186,997	15,128,400	15,128,600	15,185,400	0.4%	0.4%
-------------------	-------------------	-------------------	-------------------	-------------	-------------

OTHER REVENUE

Delinquent assessments	31950	3,966	10,000	8,000	10,000		25.0%	0.0%
Tax Collector - Reimbursement of expenses	31960	95,233	50,000	50,000	50,000		0.0%	0.0%
Releases - Quit Claim/Chancery	32910	1,500	2,500	2,000	2,500		25.0%	0.0%
Permit fees	32920	711,005	500,000	698,853	500,000		-28.5%	0.0%
Sales of Surplus Equipment	36010	86,850	10,000	10,000	10,000		0.0%	0.0%
Miscellaneous	36020	3,834	1,000	300	1,000		233.3%	0.0%
Right-of-way Agreements	36030	223,997	250,000	228,827	250,000		9.3%	0.0%
Sales of Surplus Real Estate	36100	0	0	1,347,326	0		0.0%	0.0%
Interest - Maintenance	36110	600,090	10,000	423,923	250,000		-41.0%	2400.0%
Interest - Hazard Mitigation Funds	36120	514	0	0	0		0.0%	0.0%
Interest - Capital Projects	36126	771,202	0	344,752	0		0.0%	0.0%
Interest - Self-Insurance	36130	0	0	0	0		0.0%	0.0%
Change in Value	36150	1,469,389	0	0	0		0.0%	0.0%
Use of Fund Balance - Canal Revetment	36900	0	0	0	1,166,405		0.0%	0.0%
Prior Year Carryforward	36900	0	0	0	425,000			
Use of Surplus Funds	36900	0	2,628,100	0	2,235,695		#DIV/0!	-14.9%

Total OTHER REVENUE

3,967,580	3,461,600	3,113,981	4,900,600	57.4%	41.6%
------------------	------------------	------------------	------------------	--------------	--------------

TOTAL REVENUES

19,154,577	18,590,000	18,242,581	20,086,000	10.1%	8.0%
-------------------	-------------------	-------------------	-------------------	--------------	-------------

LAKE WORTH DRAINAGE DISTRICT
BUDGET WORKSHEET - FIRST DRAFT
FISCAL YEAR 2027 10/01/2026 - 09/30/2027

Increase **Increase**
(decrease) % **(decrease) %**

Forecast **Budget**
2025/2026 to **2025/2026 to**
Budget **Budget**
2026/2027 **2026/2027**

ACTUAL **BUDGET** **FORECAST** **BUDGET**
2024/2025 **2025/2026** **2025/2026** **2026/2027** **NOTES**

EXPENDITURES
SALARIES & BENEFITS

Salaries	51010	6,151,074	6,650,000	6,350,000	7,050,000	95 employees	11.0%	6.0%
Social Security	51020	357,601	412,000	393,700	437,000	6.2% Rate	11.0%	6.1%
Medicare	51025	84,830	96,000	92,100	102,000	1.45% Rate	10.7%	6.3%
Retirement	51030	1,041,482	1,137,000	1,070,000	1,244,000	FRS Employer Contribution Rate - Blended (Reg/Sr Mgmt/DROP) ~ 17%	16.3%	9.4%
Health Insurance	51040	1,282,499	1,600,000	1,440,000	1,800,000	95 employees	25.0%	12.5%
Uniforms	51050	15,325	19,000	15,000	19,000		26.7%	0.0%
Total SALARIES & BENEFITS		8,932,811	9,914,000	9,360,800	10,652,000		13.8%	7.4%

ADMINISTRATIVE

Board of Supervisors	52010	11,700	20,000	12,000	20,000		66.7%	0.0%
Travel, Education, Memberships & Publications	52020	40,015	75,000	60,000	75,000		25.0%	0.0%
Advertising	52040	14,314	15,000	15,000	15,000		0.0%	0.0%
Permit & other fees	52050	1,841	10,000	3,500	10,000		185.7%	0.0%
Recording fees	52060	2,983	5,000	3,000	5,000		66.7%	0.0%
Taxes	52070	4,589	5,000	5,000	5,000		0.0%	0.0%
Insurance	52080	476,033	520,000	495,000	575,000	General Liability - \$350K; Worker's Compensation - \$175K, Settlements - \$50K	16.2%	10.6%
Miscellaneous	52090	9,429	10,000	15,000	10,000		-33.3%	0.0%
Total ADMINISTRATIVE		560,904	660,000	608,500	715,000		17.5%	8.3%

UTILITIES

Utilities	53010	111,171	130,000	115,000	133,000	Telephone & fax service - \$38K; Garbage & recycling - \$12K; Water - \$17K; Electricity - \$34K; Cable & internet - \$10K; Cell and tablets service - \$22K	15.7%	2.3%
Electricity - Pumps	53020	243,987	225,000	250,000	225,000	Control structures #1, 2, 3, 4, 9, 11, 12, 17W, 19, 20 (Same as FY 2026)	-10.0%	0.0%
Waste Disposal	53030	12,297	38,000	20,000	38,000	Govt assessment - \$3K; Dump fees - \$35K	90.0%	0.0%
Total UTILITIES		367,455	393,000	385,000	396,000		2.9%	0.8%

LAKE WORTH DRAINAGE DISTRICT
BUDGET WORKSHEET - FIRST DRAFT
FISCAL YEAR 2027 10/01/2026 - 09/30/2027

Increase
(decrease) % Increase
(decrease) %

Forecast Budget
2025/2026 to 2025/2026 to
Budget Budget
2026/2027 2026/2027

		ACTUAL 2024/2025	BUDGET 2025/2026	FORECAST 2025/2026	BUDGET 2026/2027	NOTES		
FIELD OPERATIONS & MAINTENANCE								
Repairs & maintenance - Heavy Equipment	54010	163,884	115,000	175,000	150,000		-14.3%	30.4%
Repairs & maintenance - Light Equipment	54011	0	0	0	35,000			
Repairs & maintenance - Tractors & mowers	54012	111,290	100,000	100,000	100,000		0.0%	0.0%
Repairs & maintenance - Vehicles	54020	151,618	100,000	110,000	110,000		0.0%	10.0%
Repairs & maintenance - Heavy Trucks	54025	55,777	75,000	55,000	80,000		45.5%	6.7%
Repairs & maintenance - Aquatic Equipment	54030	22,829	17,000	12,000	17,000		41.7%	0.0%
Repairs & maintenance - Chipper Equipment	54032	22,814	20,000	18,000	10,000		-44.4%	-50.0%
Repairs & maintenance - Other Equipment	54040	35,606	15,000	25,000	25,000		0.0%	66.7%
Repairs & maintenance - Buildings & improvements	54050	83,161	80,000	90,000	85,000		-5.6%	6.3%
Repairs & maintenance - Right-of-ways	54060	482,381	625,000	610,000	625,000	Mowing \$410K, ROW Gates \$60K, Miscellaneous \$125K and Wildlife Control \$30K	2.5%	0.0%
Repairs & maintenance - Right-of-ways, Rehabilitation	54061	759,138	1,100,000	850,000	1,200,000	Bank restoration \$650K; Contracted services for: Clearing \$150K, Mapping, staking and surveying \$300K, and Ground stabilization \$100K	41.2%	9.1%
Repairs & maintenance - Controls & pumps	54070	154,841	100,000	105,000	100,000		-4.8%	0.0%
Repairs & maintenance - Canals	54090	751,117	750,000	725,000	750,000	Herbicides and aquatic maintenance	3.4%	0.0%
Total FIELD OPS & MAINTENANCE		2,794,456	3,097,000	2,875,000	3,287,000		14.3%	6.1%
EXPENDABLES								
Supplies - Shop	55030	101,078	90,000	100,000	60,000	Welding - \$11K; Paper goods and cleaning supplies - \$5K; Facilites - \$20K; Automotive items - \$15K; Miscellaneous - \$9K	-40.0%	-33.3%
Supplies - Safety	55041	0	0	0	40,000	Safety and spill items		
Supplies - Tools	55050	20,223	21,000	35,000	25,000		-28.6%	19.0%
Supplies - Fuels & Lubricants	55060	323,499	353,000	480,000	609,000	30K UL @ \$4.06 + 30K Diesel(On-Road) @ \$5.02 +55K Diesel(Off-Road) @ \$5.37, Current + 10%, Other products and service - \$40K	26.9%	72.5%
Supplies - Office	55080	68,584	58,000	55,000	60,000	Postage \$4K; Copiers \$2K; Toner \$5K; Resource materials \$3K; Meeting supplies \$5K; Employeee recognition \$15K; First aid \$6K; Miscellaneous office products \$20K	9.1%	3.4%
Supplies - Technology	55090	50,649	70,000	65,000	60,000	Repairs & Maintenance, SLA Overages \$35K; Smart Cover Maintenance \$10K; Sonic Wall Secure Upgrade \$10K; and Miscellaneous Parts & Maintenance \$5K	-7.7%	-14.3%
Total EXPENDABLES		564,033	592,000	735,000	854,000		16.2%	44.3%

LAKE WORTH DRAINAGE DISTRICT
BUDGET WORKSHEET - FIRST DRAFT
FISCAL YEAR 2027 10/01/2026 - 09/30/2027

						Increase	Increase	
						(decrease) %	(decrease) %	
						Forecast	Budget	
						2025/2026 to	2025/2026 to	
						Budget	Budget	
						2026/2027	2026/2027	
	ACTUAL	BUDGET	FORECAST	BUDGET	NOTES			
	2024/2025	2025/2026	2025/2026	2026/2027				
CONTRACT WORK								
Contract work - General	56030	119,083	103,000	100,000	104,000	Water Supply - \$10K, Drug Testing - \$3K, Appraisals & surveys - \$12K, Elevator - \$4K, Public Relations - \$15K, Permit Compliance - \$15K, Telemetered Gauges - \$9K & Investment Advisory - \$36K	4.0%	1.0%
Legal - In house	56040	100,839	105,000	103,000	105,000	Mark Perry, P.A.	1.9%	0.0%
Legal - Outside	56042	19,875	80,000	40,000	60,000	Title Lawsuits, Employment Matters	50.0%	-25.0%
Engineering	56050	165,630	100,000	200,000	125,000	General Modeling & Assistance	-37.5%	25.0%
Scanning	56070	340	10,000	5,000	10,000	Document scanning		0.0%
Financial Services	56080	44,314	60,000	55,000	60,000	Annual Financial Audit, Actuary	9.1%	0.0%
Technology Services	56090	530,773	715,000	675,000	788,000	Cloud Services - \$173K, IT Support - \$144K, Contract Services - \$225K, IT Security & SCADA Audit - \$38K & Software - \$208K	16.7%	10.2%
Total CONTRACT WORK	980,854	1,173,000	1,178,000	1,252,000			6.3%	6.7%
CAPITAL EXPENDITURES								
Property Acquisition	57010	0	0	0	0			
Buildings & Improvements	57020	187,749	260,000	100,000	0	See attached schedule	-100.0%	-100.0%
Controls / Pumps	57030	67,479	1,695,000	1,695,000	1,610,000	See attached schedule	-5.0%	-5.0%
Erosion control	57035	0	0	0	0		0.0%	0.0%
Equipment - Light	57050	118,077	50,000	53,541	75,000	See attached schedule	0.0%	0.0%
Equipment - Heavy	57060	606,448	0	0	325,000	See attached schedule	#DIV/0!	#DIV/0!
Equipment - Accessories	57070	50,562	50,000	50,000	50,000	See attached schedule	0.0%	0.0%
Equipment - Aquatics	57080	0	0	0	0			
Equipment - Vehicles	57090	554,456	585,000	510,000	770,000	See attached schedule	51.0%	31.6%
Office furniture, fixtures & equipment	57100	202,126	121,000	100,000	100,000	See attached schedule	0.0%	-17.4%
Total CAPITAL EXPENDITURES	1,786,897	2,761,000	2,508,541	2,930,000			16.8%	6.1%
Total EXPENDITURES	15,987,410	18,590,000	17,650,841	20,086,000			13.8%	8.0%
NET SURPLUS/DEFICIT	3,167,167	0	591,740	0				

**LAKE WORTH DRAINAGE DISTRICT
SCHEDULE OF CAPITAL EXPENDITURES
FISCAL YEAR 2027 10/01/2026 - 09/30/2027**

BUILDINGS & IMPROVEMENTS:

DEPARTMENT	DESCRIPTION	QTY	COST	TOTAL
Management				
				-

CONTROL STRUCTURES / PUMPS:

DEPARTMENT	DESCRIPTION	QTY	COST	TOTAL
Fleet / Structures	Control Structure No. 14 & 16 SCADA Engineering			125,000
	Control Structure No. 12 - Second Pump (Carryforward) and Installation			1,100,000
	Control Structure No. 19 - Radial gate replacement			300,000
	Control Structure No. 16 - Review & Design of Amil Gates			50,000
	Smart Cover Monitors (4)			35,000
				<u>1,610,000</u>

LIGHT EQUIPMENT:

DEPARTMENT	DESCRIPTION	QTY	COST	TOTAL
Canal Maintenance	Mini Excavator with Trailer (Fleet Expansion)	1	75,000	75,000
				<u>75,000</u>

HEAVY EQUIPMENT:

DEPARTMENT	DESCRIPTION	QTY	COST	TOTAL
Canal Maintenance	Boom Mower - (Replacement for M99)	1	225,000	225,000
	5 Ton Loader	1	100,000	100,000
				<u>325,000</u>

**LAKE WORTH DRAINAGE DISTRICT
 SCHEDULE OF CAPITAL EXPENDITURES
 FISCAL YEAR 2027 10/01/2026 - 09/30/2027**

ACCESSORIES:

DEPARTMENT	DESCRIPTION	QTY	COST	TOTAL
Low Maintenance	Small equipment attachments and replacements	1	50,000	50,000
				<u>50,000</u>

VEHICLES:


DEPARTMENT	DESCRIPTION	QTY	COST	TOTAL
Fleet / Structures	Truck - Fleet Expansion	2	50,000	100,000
	Grapple Truck	1	220,000	220,000
	Heavy Truck with Own Supplemental Grapple	1	200,000	200,000
	Truck - Dump - (Replaces T-137)	1	250,000	250,000
		<u>5</u>		<u>770,000</u>

OFFICE FURNITURE, FIXTURES & EQUIPMENT:

DEPARTMENT	DESCRIPTION	QTY	COST	TOTAL
IT	Security Cameras			41,000
	Computers - Desktops / Tablets			34,000
	Miscellaneous Hardware and Software			25,000
		<u>0</u>		<u>100,000</u>

Fiscal Year 2027 Proposed Budget


Governing Board Meeting
June 17, 2026
Agenda Item #16



LWDD
LAKE WORTH DRAINAGE DISTRICT

1

Budget Timeline




LWDD
LAKE WORTH DRAINAGE DISTRICT

- ✓ June 2026 – Proposed budget workshop
- July 2026 – Preliminary Budget presented to Board; Board approval to advertise Preliminary Budget and public hearing
- August 2026 – Public Hearing and Final Budget Adoption

2

Budget Presentation Outline


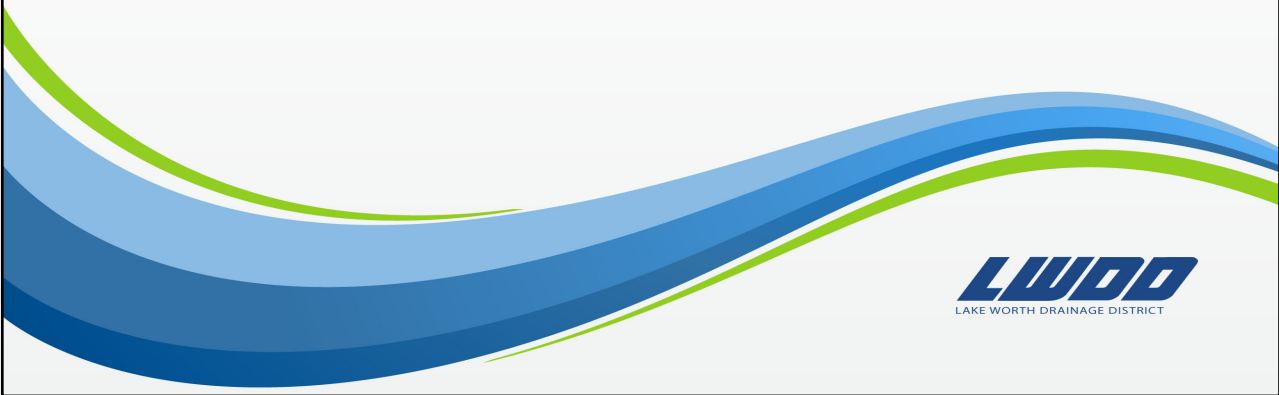


- FY 2027 Budget Priorities – Tommy Strowd
- Review of Draft FY 2027 Budget – Chris Johnson
 - Estimated Revenues
 - Proposed Expenditures

3

FY 2027 Proposed Budget Overview

Tommy Strowd
Executive Director



4

FY 2027 Proposed Budget



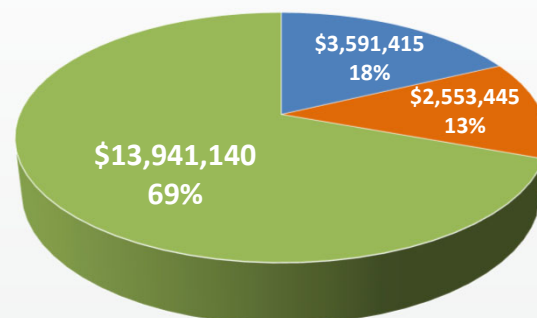
- Presenting balanced budget of \$20.1 million
- Balanced with combination of carryforward, committed funds, and use of surplus funds - \$4.1 million
- Current assessment rate of \$48.50

5

FY 2027 Proposed Budget

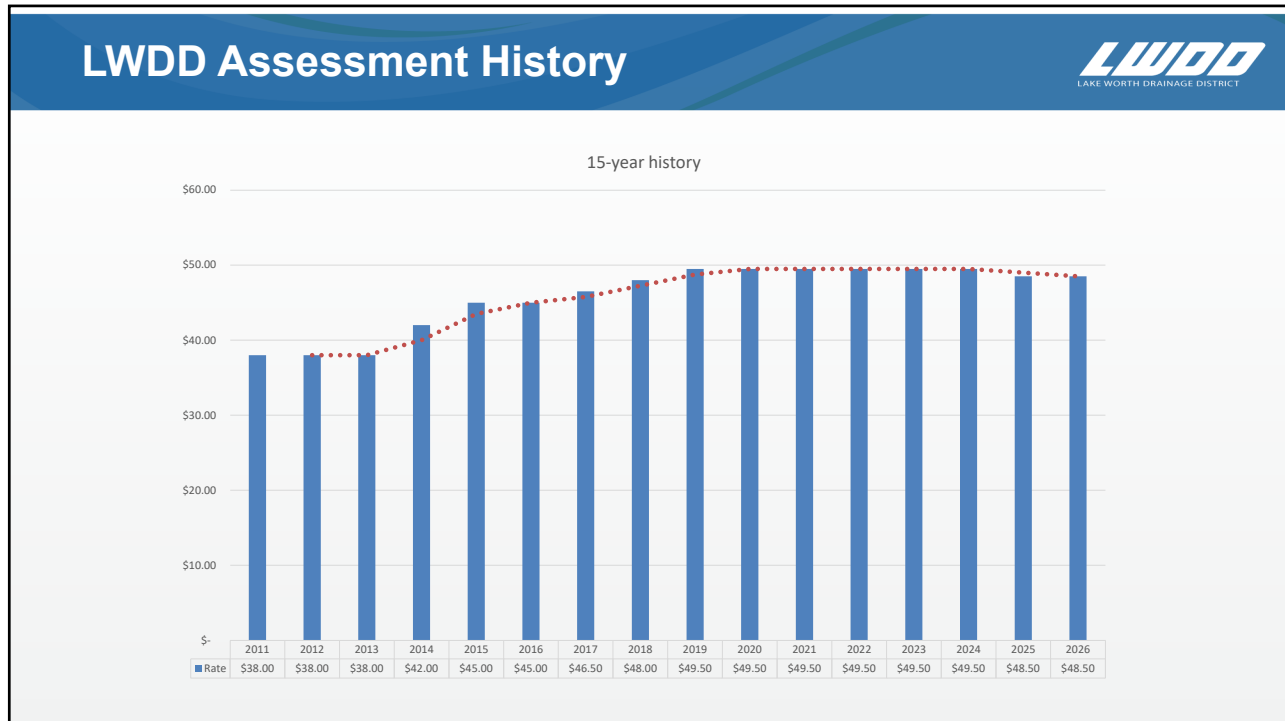


FY 2027 Proposed Budget
\$20,086,000

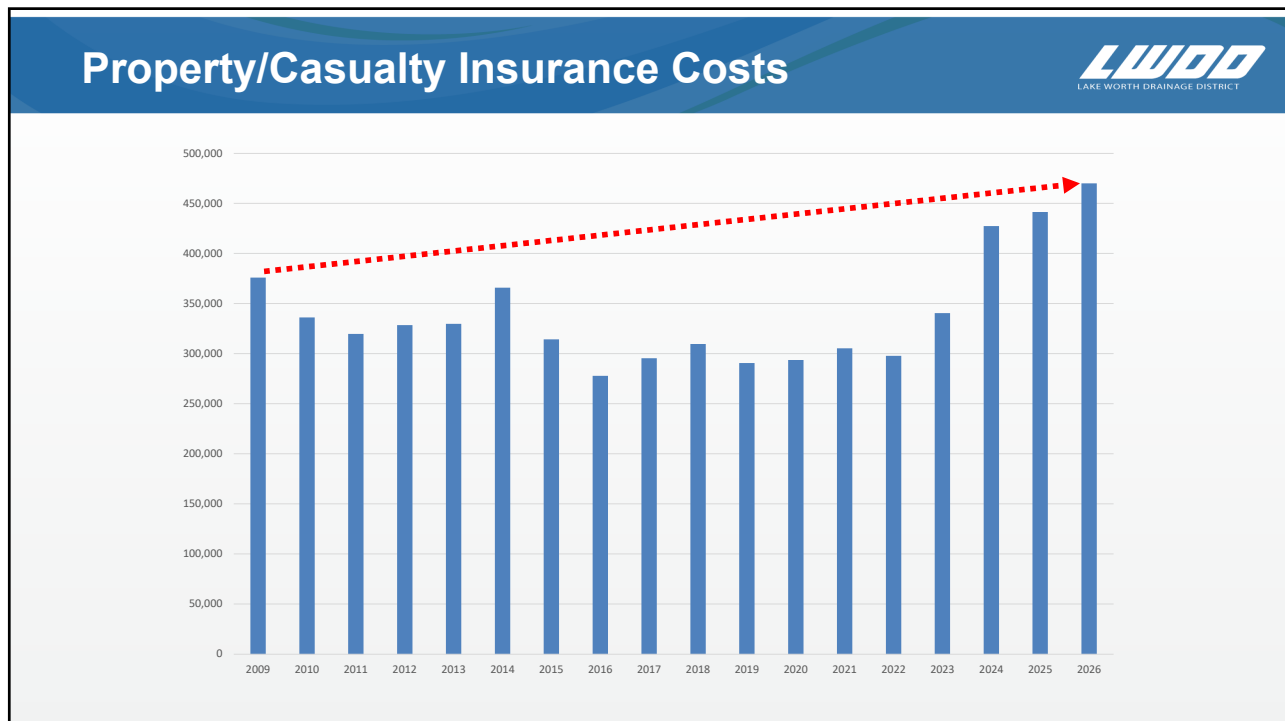


■ Administrative ■ Regulatory ■ Operations & Maintenance

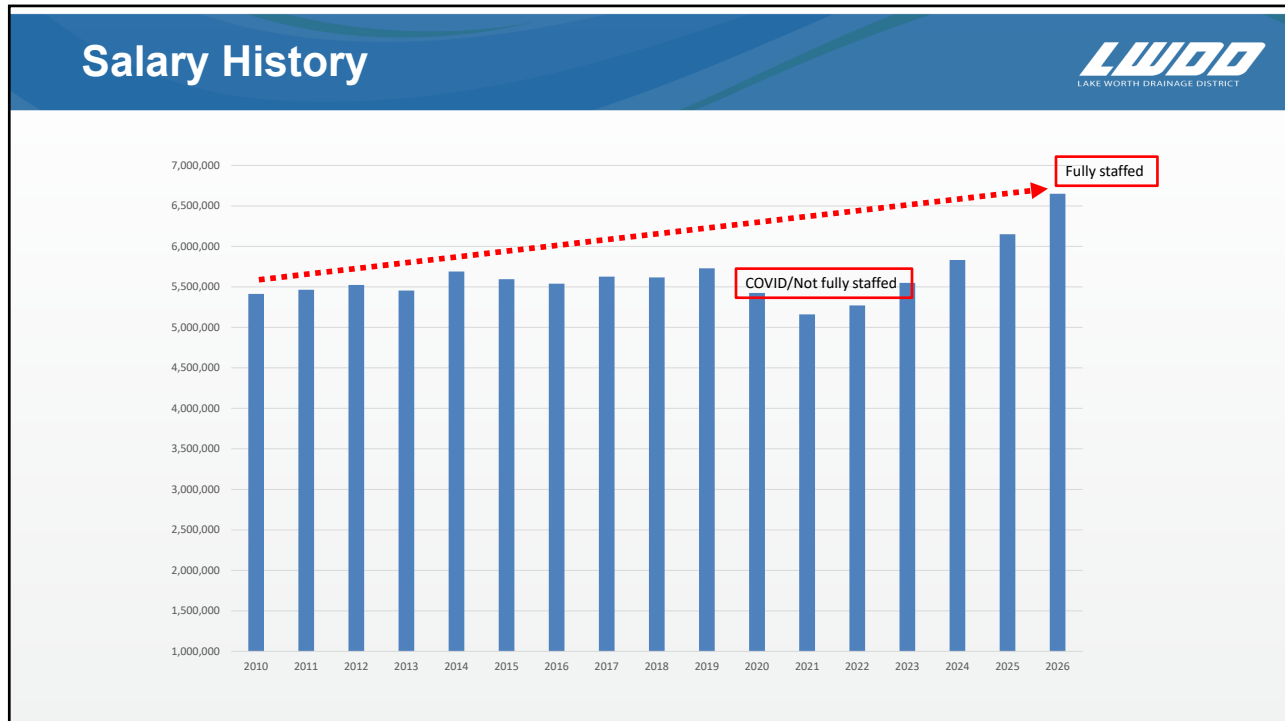
6



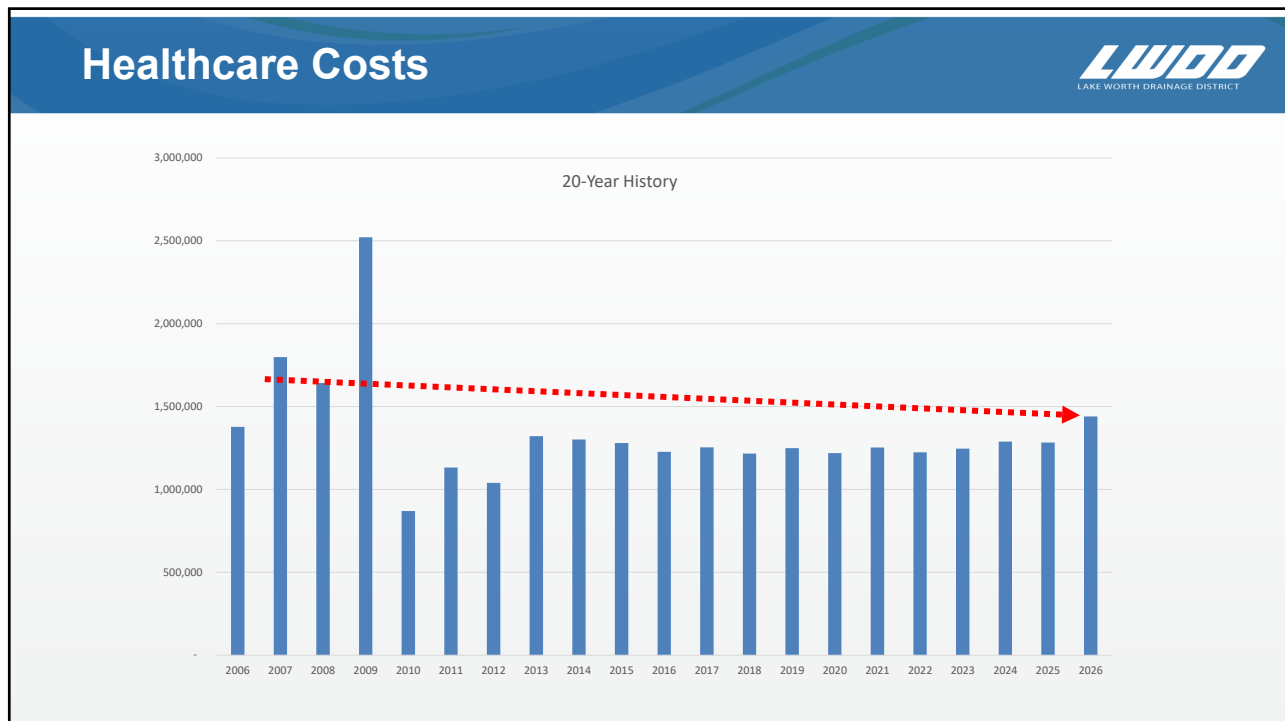
7



8



9



10

Committed Fund Balances



- Committed Funds: \$53.8 million
 - Hazard Mitigation Fund: \$19.6 million
 - Capital Projects Fund: \$30.7 million
 - Self Insurance Fund: \$2.4 million
 - Canal Revetment Fund: \$1.2 million
- FY 2026 Investment Earnings - ~\$2.8 million

11

FY 2027 Budget Priorities



12

FY27 Budget Priorities – CRP Phase II Maintenance Restoration Program (MRP)



- CRP Phase II – Canal bank restoration underway!
 - GOAL: Reconstruct canal sections to recover banks and achieve final configuration for future maintenance; reduce dependence of herbicide treatment on restricted banks
- 500 projects (~250 miles) identified and evaluated based on type and complexity; projected completion ~20 years
- FY27 budget includes projected materials and services

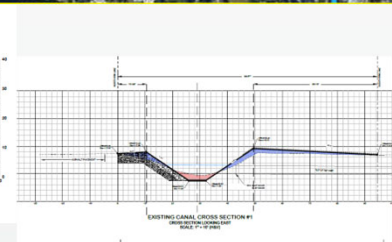
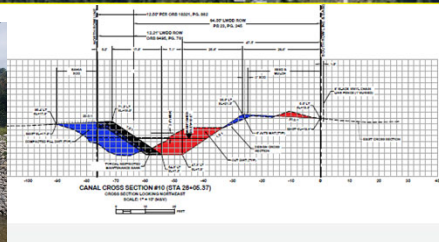


13

MRP Project L-5 Canal from Jog Road to E-3 Canal



- Currently ~40% complete, anticipated completion Summer 2027



14

MRP Project L-45 Canal from E-1 Canal to E-2W Canal



- Lyons Road to E-2W complete
- E-1 Canal to Lyons Road, anticipated completion early Summer 2027



Lyons to E2W Complete

E1 - Lyons Scheduled Summer 2026/Summer 2027





L45 Golf Course Rd to E2W
COMPLETED SPRING 2026




L45 E1 to Lyons




L45 Lyons to Golf Course Rd
COMPLETED SUMMER 2025

15


MRP Projects E-3 Canal from SW 18th Street to Control Structure 16

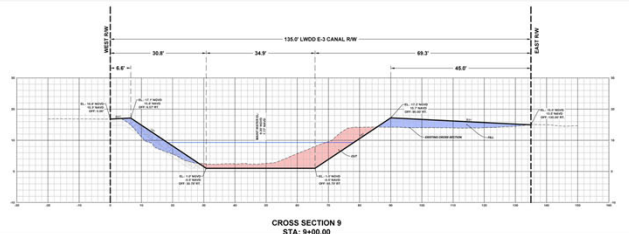


- Scheduled end of calendar year, anticipated completion Spring 2027



Proposed Grading and Rock Stabilization






CROSS SECTION 9
STA: 9+00.00

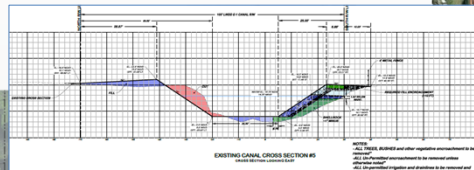
16

MRP Project L-42 (E-1 to Lyons Rd) / E-1 (L-42 to L-44)

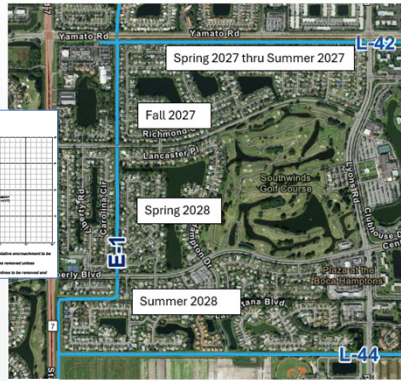


LAKE WORTH DRAINAGE DISTRICT

- Multiple phases - Scheduled Summer 2027 thru 2028
- Significant outreach, coordination and rehabilitation effort

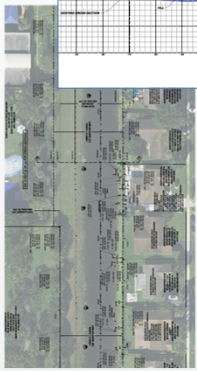




EXISTING CANAL CROSS SECTION #5




ENCLOSUREMENTS

ENCLOSURE 1: ...
ENCLOSURE 2: ...
ENCLOSURE 3: ...
ENCLOSURE 4: ...
ENCLOSURE 5: ...
ENCLOSURE 6: ...
ENCLOSURE 7: ...
ENCLOSURE 8: ...
ENCLOSURE 9: ...
ENCLOSURE 10: ...
ENCLOSURE 11: ...
ENCLOSURE 12: ...
ENCLOSURE 13: ...
ENCLOSURE 14: ...
ENCLOSURE 15: ...
ENCLOSURE 16: ...
ENCLOSURE 17: ...
ENCLOSURE 18: ...
ENCLOSURE 19: ...
ENCLOSURE 20: ...
ENCLOSURE 21: ...
ENCLOSURE 22: ...
ENCLOSURE 23: ...
ENCLOSURE 24: ...
ENCLOSURE 25: ...
ENCLOSURE 26: ...
ENCLOSURE 27: ...
ENCLOSURE 28: ...
ENCLOSURE 29: ...
ENCLOSURE 30: ...
ENCLOSURE 31: ...
ENCLOSURE 32: ...
ENCLOSURE 33: ...
ENCLOSURE 34: ...
ENCLOSURE 35: ...
ENCLOSURE 36: ...
ENCLOSURE 37: ...
ENCLOSURE 38: ...
ENCLOSURE 39: ...
ENCLOSURE 40: ...
ENCLOSURE 41: ...
ENCLOSURE 42: ...
ENCLOSURE 43: ...
ENCLOSURE 44: ...
ENCLOSURE 45: ...
ENCLOSURE 46: ...
ENCLOSURE 47: ...
ENCLOSURE 48: ...
ENCLOSURE 49: ...
ENCLOSURE 50: ...
ENCLOSURE 51: ...
ENCLOSURE 52: ...
ENCLOSURE 53: ...
ENCLOSURE 54: ...
ENCLOSURE 55: ...
ENCLOSURE 56: ...
ENCLOSURE 57: ...
ENCLOSURE 58: ...
ENCLOSURE 59: ...
ENCLOSURE 60: ...
ENCLOSURE 61: ...
ENCLOSURE 62: ...
ENCLOSURE 63: ...
ENCLOSURE 64: ...
ENCLOSURE 65: ...
ENCLOSURE 66: ...
ENCLOSURE 67: ...
ENCLOSURE 68: ...
ENCLOSURE 69: ...
ENCLOSURE 70: ...
ENCLOSURE 71: ...
ENCLOSURE 72: ...
ENCLOSURE 73: ...
ENCLOSURE 74: ...
ENCLOSURE 75: ...
ENCLOSURE 76: ...
ENCLOSURE 77: ...
ENCLOSURE 78: ...
ENCLOSURE 79: ...
ENCLOSURE 80: ...
ENCLOSURE 81: ...
ENCLOSURE 82: ...
ENCLOSURE 83: ...
ENCLOSURE 84: ...
ENCLOSURE 85: ...
ENCLOSURE 86: ...
ENCLOSURE 87: ...
ENCLOSURE 88: ...
ENCLOSURE 89: ...
ENCLOSURE 90: ...
ENCLOSURE 91: ...
ENCLOSURE 92: ...
ENCLOSURE 93: ...
ENCLOSURE 94: ...
ENCLOSURE 95: ...
ENCLOSURE 96: ...
ENCLOSURE 97: ...
ENCLOSURE 98: ...
ENCLOSURE 99: ...
ENCLOSURE 100: ...

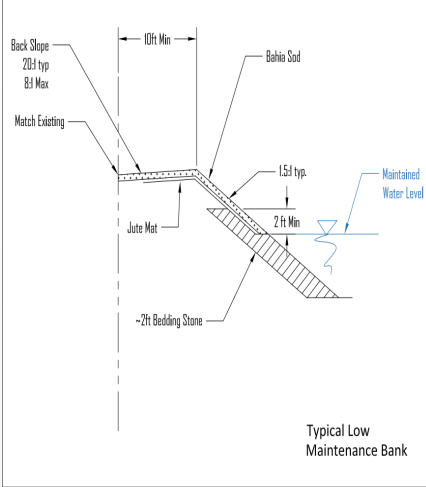




17

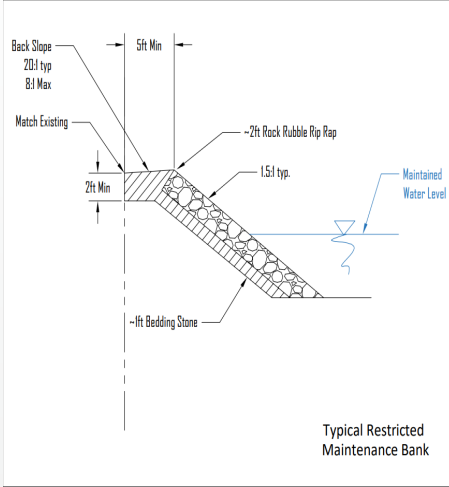
Low Maintenance Bank Design



LAKE WORTH DRAINAGE DISTRICT



Typical Low Maintenance Bank



Typical Restricted Maintenance Bank

18

FY27 Budget Priorities Fleet & Equipment



■ Surplus and replace:

- Replace Dump Truck T-136 – Last of 2014-15 purchases
- Replace M-99 Mow Max with John Deere Boom Mower



19

FY27 Budget Priorities Fleet & Equipment



■ New:

- Two (2) ½-ton pickup trucks to address additional current and future staff needs
- <5-ton Loader for Tree Crew
- Mini-Ex with Trailer for Low Maintenance



<5ton Loader



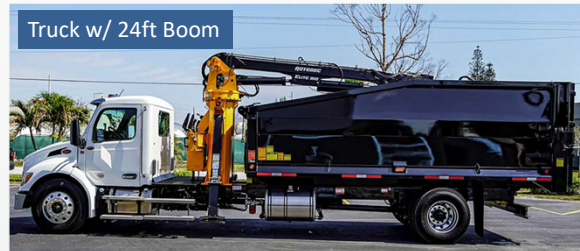
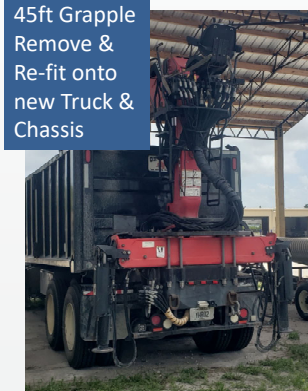
Mini-Ex & Trailer

20

FY27 Budget Priorities Fleet & Equipment



- Grapple Truck(s)
 - Replace T-137 Vehicle, refit 45ft grapple to New Truck & Frame
 - Purchase New Truck with 24ft grapple boom for Tree Crew

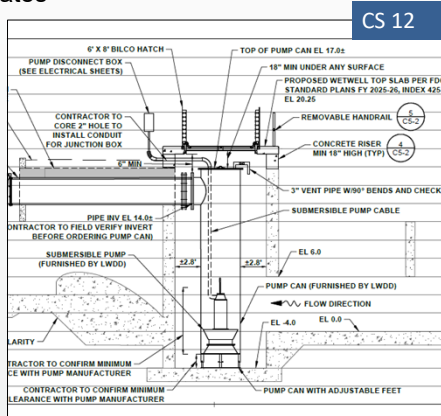


21

FY27 Budget Priorities Structure Maintenance



- Installation Control Structure 12 Pump (includes FY26 pump & VFD roll over costs)
- Purchase Control Structure 19 Replacement Gates

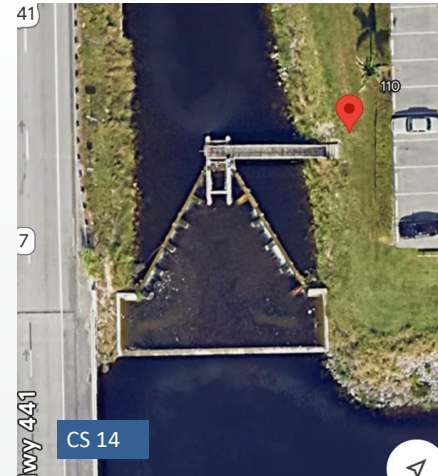


22

FY27 Budget Priorities Structure Maintenance



- CS-16 Engineering Review & Evaluation of AMIL Gates (FY28 Refurbishment or Replacement)
- Engineering for SCADA Control at Control Structures 14 & 16 (currently pursuing power installation at CS14); anticipate installation FY28

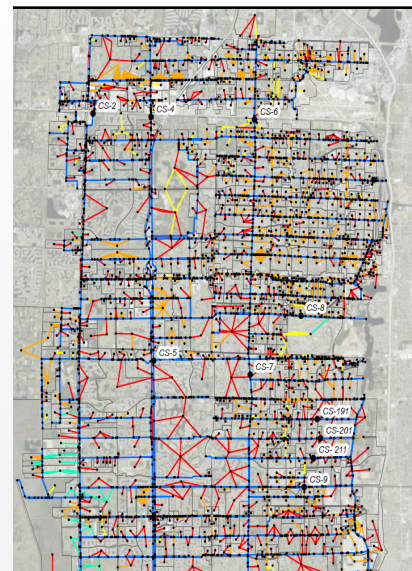


23

FY27 Budget Priorities Comprehensive Modeling Effort



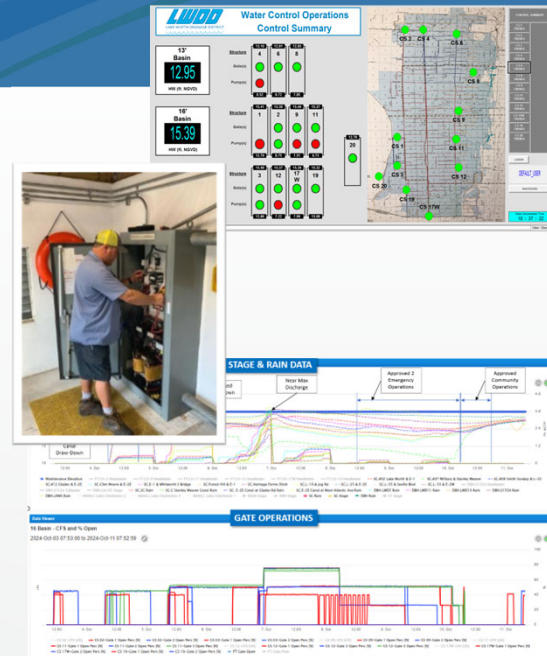
- Ongoing system maintenance and related activities
- Evaluate potential effects of development west of SR-7
- Assess implications of FL Turnpike expansion
- Explore opportunities to enhance existing control infrastructure and secondary structures



24

FY27 Budget Priorities Information Technology

- Ongoing service maintenance and enhancements to water operations technology
 - SCADA system
 - Smartcover
 - eRIS Water Management Dashboard
- Replacement:
 - Staff computers (4-year cycle)
 - Security camera replacement



25

FY27 Budget Priorities Human Resources



- Retention of LWDD's most important resource – our employees!
- Ensuring competitive wages and benefits to retain and recruit employees
- Expanding O&M Staff (+2) to address additional upland treatment and maintenance; assessing future needs



26

FY 2027 Proposed Budget: Revenues and Expenditures

Chris Johnson
Director of Finance

27

Fiscal Year 2027 Proposed Budget Revenues						LWDD LAKE WORTH DRAINAGE DISTRICT		
	ACTUAL 2024/2025	BUDGET 2025/2026	FORECAST 2025/2026	BUDGET 2026/2027	NOTES	Forecast	Budget	
						2025/2026 to Budget 2026/2027	2025/2026 to Budget 2026/2027	
REVENUES								
NON-AD VALOREM ASSESSMENTS								
Assessments - Current	31910	15,897,736	15,929,000	15,929,000	15,989,000	329,665 Parcels @\$48.50	0.4%	0.4%
Discount on assessments	31920	(552,933)	(637,200)	(637,200)	(639,600)	4% of Assessments	0.4%	0.4%
Commissions - PBC Tax Collector	31930	(149,956)	(159,200)	(159,200)	(159,800)	1% of Assessments	0.4%	0.4%
Tax Roll Preparation - PBC Property Appraiser	31940	(150)	(200)	(150)	(200)		33.3%	0.0%
Tax Roll Processing - PBC Information Systems Services (ISS)	31945	(7,700)	(4,000)	(3,850)	(4,000)		3.9%	0.0%
Total NON-AD VALOREM ASSESSMENTS		15,186,997	15,128,400	15,128,600	15,185,400		0.4%	0.4%
OTHER REVENUE								
Delinquent assessments	31950	3,966	10,000	8,000	10,000		25.0%	0.0%
Tax Collector - Reimbursement of expenses	31960	95,233	50,000	50,000	50,000		0.0%	0.0%
Releases - Quit Claim/Chancery	32910	1,500	2,500	2,000	2,500		25.0%	0.0%
Permit fees	32920	711,005	500,000	698,853	500,000		-28.5%	0.0%
Sales of Surplus Equipment	36010	86,850	10,000	10,000	10,000		0.0%	0.0%
Miscellaneous	36020	3,834	1,000	300	1,000		233.3%	0.0%
Right-of-way Agreements	36030	223,997	250,000	228,827	250,000		9.3%	0.0%
Sales of Surplus Real Estate	36100	0	0	1,347,326	0		0.0%	0.0%
Interest - Maintenance	36110	600,090	10,000	423,923	250,000		-41.0%	2400.0%
Interest - Hazard Mitigation Funds	36120	514	0	0	0		0.0%	0.0%
Interest - Capital Projects	36126	771,202	0	344,752	0		0.0%	0.0%
Interest - Self-Insurance	36130	0	0	0	0		0.0%	0.0%
Change in Value	36150	1,469,389	0	0	0		0.0%	0.0%
Use of Fund Balance - Canal Revetment	36900	0	0	0	1,166,405		0.0%	0.0%
Prior Year Carryforward	36900	0	0	0	425,000			
Use of Surplus Funds	36900	0	2,628,100	0	2,235,695		#DIV/0!	-14.9%
Total OTHER REVENUE		3,967,580	3,461,600	3,113,981	4,900,600		57.4%	41.6%
TOTAL REVENUES		19,154,577	18,590,000	18,242,581	20,086,000		10.1%	8.0%

28

Fiscal Year 2027 Proposed Budget Expenditures						LWDD LAKE WORTH DRAINAGE DISTRICT		
		ACTUAL 2024/2025	BUDGET 2025/2026	FORECAST 2025/2026	BUDGET 2026/2027	NOTES	Forecast	Budget
							2025/2026 to Budget 2026/2027	2025/2026 to Budget 2026/2027
EXPENDITURES								
SALARIES & BENEFITS								
Salaries	51010	6,151,074	6,650,000	6,350,000	7,050,000	95 employees	11.0%	6.0%
Social Security	51020	357,601	412,000	393,700	437,000	6.2% Rate	11.0%	6.1%
Medicare	51025	84,830	96,000	92,100	102,000	1.45% Rate	10.7%	6.3%
Retirement	51030	1,041,482	1,137,000	1,070,000	1,244,000	FRS Employer Contribution Rate - Blended (Reg/Sr Mgmt/DROP) ~ 17%	16.3%	9.4%
Health Insurance	51040	1,282,499	1,600,000	1,440,000	1,800,000	95 employees	25.0%	12.5%
Uniforms	51050	15,325	19,000	15,000	19,000		26.7%	0.0%
Total SALARIES & BENEFITS		8,932,811	9,914,000	9,360,800	10,652,000		13.8%	7.4%
ADMINISTRATIVE								
Board of Supervisors	52010	11,700	20,000	12,000	20,000		66.7%	0.0%
Travel, Education, Memberships & Publications	52020	40,015	75,000	60,000	75,000		25.0%	0.0%
Advertising	52040	14,314	15,000	15,000	15,000		0.0%	0.0%
Permit & other fees	52050	1,841	10,000	3,500	10,000		185.7%	0.0%
Recording fees	52060	2,983	5,000	3,000	5,000		66.7%	0.0%
Taxes	52070	4,589	5,000	5,000	5,000		0.0%	0.0%
Insurance	52080	476,033	520,000	495,000	575,000	General Liability - \$350K; Worker's Compensation - \$175K; Settlements - \$50K	16.2%	10.6%
Miscellaneous	52090	9,429	10,000	15,000	10,000		-33.3%	0.0%
Total ADMINISTRATIVE		560,904	660,000	608,500	715,000		17.5%	8.3%
UTILITIES								
Utilities	53010	111,171	130,000	115,000	133,000	Telephone & fax service - \$38K; Garbage & recycling - \$12K; Water - \$17K; Electricity - \$34K; Cable & internet - \$10K; Cell and tablets service - \$22K; Control structures #1, 2, 3, 4, 9, 11, 12, 17W, 19, 20 (Same as FY 2026)	15.7%	2.3%
Electricity - Pumps	53020	243,987	225,000	250,000	225,000		-10.0%	0.0%
Waste Disposal	53030	12,297	38,000	20,000	38,000	Govt assessment - \$3K; Dump fees - \$35K	90.0%	0.0%
Total UTILITIES		367,455	393,000	385,000	396,000		2.9%	0.8%

29

Fiscal Year 2027 Proposed Budget Expenditures						LWDD LAKE WORTH DRAINAGE DISTRICT		
		ACTUAL 2024/2025	BUDGET 2025/2026	FORECAST 2025/2026	BUDGET 2026/2027	NOTES	2025/2026 to	2025/2026 to
							Budget 2026/2027	Budget 2026/2027
EXPENDITURES								
FIELD OPERATIONS & MAINTENANCE								
Repairs & maintenance - Heavy Equipment	54010	163,884	115,000	175,000	150,000		-14.3%	30.4%
Repairs & maintenance - Light Equipment	54011	0	0	0	35,000			
Repairs & maintenance - Tractors & mowers	54012	111,290	100,000	100,000	100,000		0.0%	0.0%
Repairs & maintenance - Vehicles	54020	151,618	100,000	110,000	110,000		0.0%	10.0%
Repairs & maintenance - Heavy Trucks	54025	55,777	75,000	55,000	80,000		45.5%	6.7%
Repairs & maintenance - Aquatic Equipment	54030	22,829	17,000	12,000	17,000		41.7%	0.0%
Repairs & maintenance - Chipper Equipment	54032	22,814	20,000	18,000	10,000		-44.4%	-50.0%
Repairs & maintenance - Other Equipment	54040	35,606	15,000	25,000	25,000		0.0%	66.7%
Repairs & maintenance - Buildings & improvements	54050	83,161	80,000	90,000	85,000		-5.0%	6.3%
Repairs & maintenance - Right-of-ways	54060	482,381	625,000	610,000	625,000	Mowing \$410K, ROW Gates \$60K, Miscellaneous \$125K and Wildlife Control \$30K	2.5%	0.0%
Repairs & maintenance - Right-of-ways, Rehabilitation	54061	759,138	1,100,000	850,000	1,200,000	Bank restoration \$650K; Contracted services for: Clearing \$150K; Mapping, staking and surveying \$300K, and Ground stabilization \$100K	41.2%	9.1%
Repairs & maintenance - Controls & pumps	54070	154,841	100,000	105,000	100,000		-4.8%	0.0%
Repairs & maintenance - Canals	54090	751,117	750,000	725,000	750,000	Herbicides and aquatic maintenance	3.4%	0.0%
Total FIELD OPS & MAINTENANCE		2,794,456	3,097,000	3,878,000	3,287,000		14.3%	6.1%
EXPENDABLES								
Supplies - Shop	55030	101,078	90,000	100,000	60,000	Welding - \$11K; Paper goods and cleaning supplies - \$5K; Facilities - \$20K; Automotive items - \$15K; Miscellaneous - \$9K	-40.0%	-33.3%
Supplies - Safety	55041	0	0	0	40,000	Safety and spill items		
Supplies - Tools	55050	20,223	21,000	35,000	25,000		-28.6%	19.0%
Supplies - Fuels & Lubricants	55060	323,499	353,000	480,000	609,000	30K UL @ \$4.06 + 30K Diesel(On-Road) @ \$5.02 +55K Diesel(Off-Road) @ \$5.37, Current + 10%, Other products and service - \$40K	26.9%	72.5%
Supplies - Office	55080	68,584	58,000	55,000	60,000	Postage \$4K; Copiers \$2K; Toner \$5K; Resource materials \$3K; Meeting supplies \$5K; Employee recognition \$15K; First aid \$6K; Miscellaneous office products \$20K	9.1%	3.4%
Supplies - Technology	55090	50,649	70,000	65,000	60,000	Repairs & Maintenance, SLA Overages \$35K; Smart Cover Maintenance \$10K; Sonic Wall Secure Upgrade \$10K; and Miscellaneous Parts & Maintenance \$5K	-7.7%	-14.3%
Total EXPENDABLES		564,033	592,000	735,000	854,000		16.2%	44.3%

30

Fiscal Year 2027 Proposed Capital Expenditures



ACCESSORIES:

DEPARTMENT	DESCRIPTION	QTY	COST	TOTAL
Low Maintenance	Small equipment attachments and replacements	1	50,000	50,000
				<u>50,000</u>

VEHICLES:

DEPARTMENT	DESCRIPTION	QTY	COST	TOTAL
Fleet / Structures	Truck - Fleet Expansion	2	50,000	100,000
	Grapple Truck	1	220,000	220,000
	Heavy Truck with Own Supplemental Grapple	1	200,000	200,000
	Truck - Dump - (Replaces T-137)	1	250,000	250,000
		<u>5</u>		<u>770,000</u>

OFFICE FURNITURE, FIXTURES & EQUIPMENT:

DEPARTMENT	DESCRIPTION	QTY	COST	TOTAL
IT	Security Cameras			41,000
	Computers - Desktops / Tablets			34,000
	Miscellaneous Hardware and Software			25,000
		<u>0</u>		<u>100,000</u>

33

Budget Uncertainties



- Final number of assessed parcels
- Property and casualty insurance
- Health insurance
- Fuel
- Herbicides

34

FY 2027 Proposed Budget



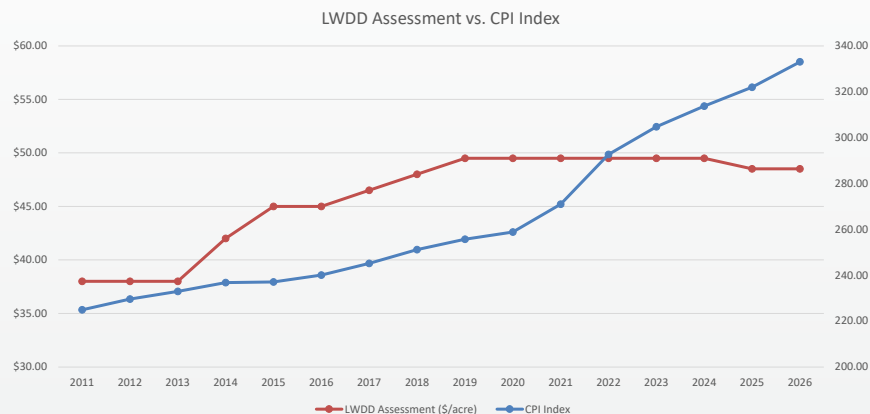
- Presenting balanced budget of \$20.1 million
- Recommend balancing budget with combination of funds:
 - FY26 carryforward funds - \$425,000
 - Unassigned surplus funds: \$2.2 million
 - Canal Revetment Fund: \$1.2 million – fund to be fully expended
- Current non-ad valorem assessment rate is \$48.50
- Increasing operational costs going forward will result in growing budget

35

CPI vs. Assessment Rate



- CPI has increased approximately 30% since the LWDD assessment was raised to \$49.50 for FY 2019



36

Budget Timeline



- ✓ June 2026 – Proposed budget workshop
- July 2026 – Preliminary Budget presented to Board; Board approval to advertise Preliminary Budget and public hearing
- August 2026 – Public Hearing and Final Budget Adoption

37

Discussion



38