COLLINS SLOUGH WATER CONTROL DISTRICT

BASIC FINANCIAL STATEMENTS
TOGETHER WITH ADDITIONAL REPORTS

YEAR ENDED
SEPTEMBER 30, 2025

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HSC/Tuscan
& Company, PA
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
Collins Slough Water Control District
606 W. Sugarland Highway
Clewiston, Florida 33440

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of Collins Slough Water Control District (the "District") as of and for the 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.

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Unmodified
General Fund	Unmodified

In our opinion, based on the results of our audit, 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 Collins Slough Water Control District as of September 30, 2025, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis ("MD&A") on pages 5 - 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information - management discussion and analysis (MD&A) 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 required supplementary information - management discussion and analysis (MD&A) because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Required Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Collins Slough Water Control District's basic financial statements. The required supplementary information other than MD&A - budgetary comparison information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The required supplementary information other than MD&A - budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the required supplementary information other than MD&A - budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The Exhibit 1 - Management's Response to Independent Auditor's Report to Management and Exhibit 2 - Florida Rules of the Auditor General - Rule 10.554(l)(i)7-9 Compliance - Unaudited are not a required part of the basic

financial statements but are required by Government Auditing Standards and/or Rules of the Auditor General, Section 10.554(i), respectively. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic 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 Section 218.415, Florida Statutes
In accordance with Section 218.415, Florida Statutes, we have also issued a report dated March 31, 2026, on our consideration of Collins Slough Water Control District's compliance with provisions of Section 218.415, Florida Statutes. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and to provide an opinion on compliance with the aforementioned Statute. That report is an integral part of an audit performed in accordance with Sections 218.39 and 218.415, Florida Statutes in considering Collins Slough Water Control District's compliance with Section 218.415, Florida Statutes.

Other Reporting Required by Government Auditing Standards
In accordance with Government Auditing Standards, we have also issued our report dated March 31, 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, contract and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Collins Slough Water Control District's internal control over financial reporting and compliance.

HSC/Tuscan & Company, P.A.

HSC/TUSCAN & COMPANY, P.A.
Fort Myers, Florida
March 31, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Management's Discussion and Analysis

Collins Slough Water Control District's (the "District") discussion and analysis is designed to offer readers of the District's financial statements a narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2025. Readers are encouraged to read the Management's Discussion and Analysis in conjunction with the District's financial statements, which begin on page 10.

Financial Highlights

* The annual non ad valorem assessment rate for fiscal year 2025 is based on land usage per acre and was assessed as follows - $3.06/acre for pasture land, $6.64/acre for citrus land and $8.65/acre for sugar cane land resulting in a $115,001 or 0% increase in tax revenues when compared to the prior fiscal year due to the land use rates being the same as fiscal year 24. Because our tax rate calculation is based on the type of land use, the Districts' landowners no longer pay a canal usage fee. However, a canal usage fee is being charged to an adjoining water district, that directly benefits from the District's water control. Based upon estimated usage the amount billed that water district was approximately $54,015 for fiscal year 2025. The amount is expected to be collected in fiscal year 2026.

* The annual non ad valorem assessment rate for fiscal year 2024 is based on land usage per acre and was assessed as follows - $3.06/acre for pasture land, $6.64/acre for citrus land and $8.65/acre for sugar cane land resulting in a 0% increase in tax revenues when compared to the prior fiscal year due to timing of when the taxes were paid. Because our tax rate calculation is based on the type of land use, the Districts' landowners no longer pay a canal usage fee. However, a canal usage fee is being charged to an adjoining water district, that directly benefits from the District's water control. Based upon estimated usage the amount billed and subsequently collected from that water district was $103,374 for fiscal year 2024, including $72,422 collected from fiscal year 2023.

* Total expenses increased by $89,590 or 33% during fiscal year 2025 as compared to fiscal year 2024. The increase in total expenditures was primarily attributable to an increase in electricity due to more required pumping and pump repairs.

* Total administrative expenses increased by $21,859 or 9% during fiscal year 2024 as compared to fiscal year 2023. The increase in total expenditures was primarily attributable to the increase of $8,794 or 58% in legal expense and $5,510 or 121% in engineering fees.

* The water control expenses which includes canal spraying, utilities and maintenance fees increased by $113,922 or 57% during fiscal year 2025. Administrative expenses which includes legal, accounting, insurance, and consulting fees decreased $24,332 or 33% during fiscal year 2025 due to decreased legal and engineering costs related to the Alico project.

* The water control expenses which includes canal spraying, utilities and maintenance fees increased by $6,022 during fiscal year 2024 due to increased maintenance, cleaning C-4 and C-3 canals and spraying. Administrative expenses which includes legal, accounting, insurance, and consulting fees increased $15,837 or 28% during fiscal year 2024 due to increased legal and engineering costs.

Overview of the Financial Statements

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

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

The *statement of net position* presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event given rise to the change occurs, *regardless of the timing of related cash flows* . Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by non ad valorem assessments (maintenance taxes) and canal use fees program. The governmental activity of the District is water control.

The government-wide financial statements can be found on pages 10 and 11 of this report.

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

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 the 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 a general fund, its only fund, which is considered to be a major fund. Information for the general fund is presented separately for this fund in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances.

The District adopts an annual appropriated budget for the general fund. To demonstrate compliance with the adopted budget, budgetary comparison statements have been provided for all funds as *required supplementary information other than MD&A.* Required supplementary information other than MD&A can be found on pages 29 and 30 of this report.

The basic governmental fund financial statements can be found on pages 12 and 14 of this report.

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. The notes to the financial statements can be found on pages 16 through 28 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by $459,574 at the close of the most recent fiscal year.

$88,543 or 19% of the District's net position is net investment in capital assets consisting of pumps and culverts used in water management. The District uses these capital assets to carry out its statutory responsibilities; consequently, these assets are not available for future spending.

The remaining balance of *unrestricted net position* totaling $371,031 may be used to meet the District's ongoing obligations to landowners and creditors.

Following is a summary of the District's net position as found on page 10 of this report:

Collins Slough Water Control District's Net Position
September 30

	Governmental Activities		
	2025	2024	2023
Current and other assets	$ 375,673	$ 510,823	$ 491,252
Capital Assets	88,543	136,309	185,336
Total Assets	**$ 464,216**	**$ 647,132**	**$ 676,588**
Current and other liabilities	$ 4,642	$ 9,502	$ 7,593
Total Liabilities	**4,642**	**9,502**	**7,593**
Net position:			
Net investment in capital assets	88,543	136,309	185,336
Unrestricted	371,031	501,321	483,659
Total net position	**459,574**	**637,630**	**668,995**
Total Liabilities and net position	**$ 464,216**	**$ 647,132**	**$ 676,588**

At the end of each fiscal year 2025, 2024, and 2023, the District is able to report positive net position.

Governmental activities. The District's net position decreased by $(178,056) in fiscal year 2025 and decreased by $(31,365) in fiscal year 2024.

The following is a summary of the information presented in the statement of activities found on page 11 of this report:

Collins Slough Water Control District's Changes in Net Position
For the year ended September 30

	Governmental Activities		
	2025	2024	2023
Revenues:			
General revenues:			
Non-ad valorem assessments, net	$ 115,001	$ 114,991	$ 115,007
Other	68,502	125,613	21,562
Total Revenues	**183,503**	**240,604**	**136,569**
Expenses:			
General government administration	48,579	72,911	57,074
Water control	312,980	199,058	193,035
Total Expenses	**361,559**	**271,969**	**250,109**
Increase (decrease) in net position	(178,056)	(31,365)	(113,540)
Net position - beginning	637,630	668,995	782,535
Net position - ending	**$ 459,574**	**$ 637,630**	**$ 668,995**

Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The District has only one fund - the general fund, a governmental fund.

At September 30, 2025, the District's governmental fund, consisting entirely of the general fund, reported an ending fund balance of $371,031 a decrease of $(130,290) as compared to the prior fiscal year. $33,699 of the ending fund balance is classified as nonspendable and represents deposits. $250,000 is assigned as the District's emergency disaster reserves. $87,332 of the District's fund balance is classified as unassigned and is available for spending at the District's discretion.

At September 30, 2024, the District's governmental fund, consisting entirely of the general fund, reported an ending fund balance of $501,321 an increase of $17,662 as compared to the prior fiscal year. $29,500 of the ending fund balance is classified as nonspendable and represents deposits. $250,000 is assigned as the District's emergency disaster reserves. $221,821 of the District's fund balance is classified as unassigned and is available for spending at the District's discretion.

General Fund Budgetary Highlights

The District's general fund budget was amended during the 2025 fiscal year to increase carryforward amounts to the audited balance. There were no significant variances in the amounts recognized as administrative expenses compared with the amounts budgeted for fiscal year 2025 except insurance costs were more than budgeted. There were significant variances in the amounts recognized for field operations as repairs, maintenance costs and joint trust costs were greater than budget by $36,731. Although capital outlay was budgeted there were no expenditures for capital outlay.

The District's general fund budget was amended during the 2024 fiscal year to increase carryforward amounts to the audited balance. There were no significant variances in the amounts recognized as administrative expenses compared with the amounts budgeted for fiscal year 2024 except legal fees and engineering costs were more than budgeted. There were significant variances in the amounts recognized for field operations as maintenance costs were less than budgeted. Although capital outlay was budgeted there were no expenditures for capital outlay.

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets, net of accumulated depreciation, as of September 30, 2025, 2024 and 2023 was $88,543, $136,309 and $185,336, respectively. Capital asset purchases were $0, $0 and $0 in fiscal years 2025, 2024, and 2023.

Collins Slough Water Control District's Capital Assets
(net of depreciation)
September 30

	Governmental Activities		
	2025	2024	2023
Pumps and Culverts	$ 88,543	$ 136,309	$ 185,336
Total Assets	$ 88,543	$ 136,309	$ 185,336

Additional information on the District's capital assets can be found in Note 3 on page 26 of this report.

Long Term Debt

The District had no long term debt outstanding at September 30, 2025, 2024 and 2023, respectively.

Economic Factors

The District will continue to closely monitor legal and regulatory activities related to water issues. Costs and expenses may increase if such activities increase. Additionally, the District may incur additional costs to comply with legislation if passed. Continued interest in water quality and best management practices are expected to continue to impact the District's operations.

Future Budgetary Highlights

For fiscal year 2026, the District maintained its gross assessment at $143,687 compared with fiscal year 2025 of $115,001, as follows:

Land Use	2026 Rate/Acre	2025 Rate/Acre
Sugar Cane	$ 10.81	$ 8.65
Citrus	8.30	6.64
Pasture	3.83	3.06

Contacting the District's Financial Management

This financial report is designated to provide the readers 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 manages. If you have questions about this report or need additional financial information, contact the Collins Slough Water Control District at 606 W. Sugarland Highway, Clewiston, FL 33440.

COLLINS SLOUGH WATER CONTROL DISTRICT
STATEMENT OF NET POSITION
September 30, 2025

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents - unrestricted	$ 287,959
Accounts receivable	-
Due from other governments	54,015
Prepaid expenses	4,199
Deposits	29,500
Total current assets	375,673
Non-current assets:	
Capital assets:	
Depreciable water control structures and equipment (net of $1,531,613 accumulated depreciation)	88,543
Total non-current assets	88,543
TOTAL ASSETS	464,216
LIABILITIES	
Current liabilities:	
Accounts payable	2,134
Due to other governments	2,508
Total current liabilities	4,642
Commitments and contingencies	-
TOTAL LIABILITIES	4,642
NET POSITION	
Net investment in capital assets	88,543
Unrestricted	371,031
TOTAL NET POSITION	$ 459,574

The accompanying notes are an integral part of this statement.

COLLINS SLOUGH WATER CONTROL DISTRICT
STATEMENT OF ACTIVITIES
For the year ended September 30, 2025

	Total Governmental Activities
EXPENSES	
Governmental activities	
General government	
Administration	
Operating expenses	$ 48,579
Total general government	48,579
Physical environment - water control	
Operating expenses	265,214
Depreciation	47,766
Total water control	312,980
TOTAL EXPENSES - GOVERNMENTAL ACTIVITIES	361,559
PROGRAM REVENUES	
Canal use fees	54,015
NET PROGRAM EXPENSES	307,544
GENERAL REVENUES	
Maintenance taxes - non ad valorem	115,001
Interest income	14,487
Other income	-
TOTAL GENERAL REVENUES	129,488
INCREASE (DECREASE) IN NET POSITION	(178,056)
NET POSITION - Beginning of the year	637,630
NET POSITION - End of the year	$ 459,574

The accompanying notes are an integral part of this statement.

COLLINS SLOUGH WATER CONTROL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2025

	General Fund	Total Governmental Funds
ASSETS		
Cash and cash equivalents	$ 287,959	$ 287,959
Accounts receivable	-	-
Due from other governments	54,015	54,015
Prepaid expenses	4,199	4,199
Deposits	29,500	29,500
TOTAL ASSETS	$ 375,673	$ 375,673
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	$ 2,134	$ 2,134
Due to other governments	2,508	2,508
TOTAL LIABILITIES	4,642	4,642
FUND BALANCE		
Nonspendable	33,699	33,699
Assigned	250,000	250,000
Unassigned	87,332	87,332
TOTAL FUND BALANCE	371,031	371,031
TOTAL LIABILITIES AND FUND BALANCE	$ 375,673	$ 375,673

The accompanying notes are an integral part of this statement.

COLLINS SLOUGH WATER CONTROL DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
September 30, 2025

		Amount
Total fund balance for governmental funds		$ 371,031
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Capital assets not being depreciated:		
Land	-	
		-
Capital assets being depreciated:		
Water control structures and equipment	1,620,156	
Less accumulated depreciation	(1,531,613)	
		88,543
Total net position of governmental activities		$ 459,574

The accompanying notes are an integral part of this statement.

COLLINS SLOUGH WATER CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
For the year ended September 30, 2025

	General Fund	Total Governmental Funds
REVENUES		
Maintenance taxes - non ad valorem	$ 115,001	$ 115,001
Canal use fees	54,015	54,015
Interest income	14,487	14,487
Other income	-	-
TOTAL REVENUES	183,503	183,503
EXPENDITURES		
Current		
General government		
Administration		
Operating expenditures	48,579	48,579
	48,579	48,579
Physical environment - water control		
Field operations		
Operating expenditures	265,214	265,214
	265,214	265,214
Capital outlay	-	-
TOTAL EXPENDITURES	313,793	313,793
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(130,290)	(130,290)
FUND BALANCE - BEGINNING	501,321	501,321
FUND BALANCE - ENDING	$ 371,031	$ 371,031

The accompanying notes are an integral part of this statement.

COLLINS SLOUGH WATER CONTROL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the year ended September 30, 2025

		Amount
Net change in fund balance (excess of expenditures over revenues) - total governmental funds		$ (130,290)
The increase (decrease) in net position reported for governmental activities in the Statement of Activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Plus: expenditures for capital assets	-	
Less: current year depreciation	(47,766)	
		(47,766)
Increase (decrease) in net position of governmental activities		$ (178,056)

The accompanying notes are an integral part of this statement.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Collins Slough Water Control District (the "District") is an independent special district created by Laws of Florida, Chapter 86-393, on July 14, 1986, under the provisions of Florida Statute 298, and amended, reenacted and codified as Laws of Florida, Chapter 2000-454, effective July 5, 2000. The District was formed for the purpose of preserving and protecting water resources by drainage, irrigation, or water management for approximately 15,653 taxable acres in Hendry County. The District is governed by a three (3) member Board of Supervisors elected by the Landowners within the District. The District has four (4) major landowners, two of which own the majority of the land in the District.

Summary of significant accounting policies

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

The basic financial statements of the District are comprised of the following:

- -Government-wide financial statements
- -Fund financial statements
- -Notes to the financial statements

Reporting entity

The District adheres to Governmental Accounting Standards Board (GASB) Statement Number 14, "Financial Reporting Entity", as amended by GASB Statement Number 39 "Determining Whether Certain Organizations Are Component Units" and GASB Statement Number 61, "The Financial Reporting Entity Omnibus- An Amendment of GASB Statements No. 14 and No. 34." These Statements require the basic financial statements of the District (the primary government) to include its component units, if any. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. Based on the criteria established in GASB Statement Number 14, as amended, there are no components required to be included. Therefore, there are no component units included and/or required to be included in the District's basic financial statements.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Government-wide 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 activities of the District and do not emphasize fund types. These governmental activities comprise the primary government. General governmental and intergovernmental revenues support the governmental activities.

The purpose of the government-wide financial statements is to allow the user to be able to determine if the District is in a better or worse financial position than the prior year. The effect of all interfund activity between governmental funds has been removed from the government-wide financial statements. Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement Number 33, "Accounting and Financial Reporting for Non-Exchange Transactions."

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements rather than reported as expenditures. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability in the government-wide financial statements rather than as expenditures.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function 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 or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital improvements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Government-wide financial statements, continued

Program revenues are considered to be revenues generated by services performed and/or by fees charged such as allowing drainage (canal use fees) into the District systems.

Fund financial statements

The District has implemented GASB Number 54, "Fund Balance Reporting and Governmental Fund Type Definitions".

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the District's governmental fund are presented after the government-wide financial statements. The governmental fund financial statements display information about major funds individually and non-major funds, in aggregate, for governmental funds.

Governmental funds

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collected within the current period or soon thereafter to pay liabilities of the current period.

The District's major fund is presented in a separate column on the governmental fund financial statements. The definition of a major fund is one that meets certain criteria set forth in GASB Statement Number 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments." The funds that do not meet the criteria of a major fund are considered non-major funds and are combined into a single column on the governmental fund financial statements.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Governmental funds, continued

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement focus and basis of accounting

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

The government-wide financial statements are reported using the 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. Maintenance taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements 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 and soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers tax revenues to be available if they are collected within sixty days of the end of the current fiscal period.

Revenues susceptible to accrual are assessments, taxes, interest on investments, and intergovernmental revenues. Assessments and taxes are recorded as revenues in the fiscal year in which they are levied, provided they are collected in the current period or within sixty days thereafter. Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized when all eligibility requirements are met.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Measurement focus and basis of accounting, continued

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) principal and interest on long-term debt, if any, is recognized when due, and (2) expenditures are generally not divided between years by the recording of prepaid expenditures.

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

Separate financial statements are provided for governmental funds.

Non-current government assets/liabilities

GASB Statement Number 34 requires non-current governmental assets, such as land and buildings, and non-current governmental liabilities, such as notes and bonds payable, to be reported in the governmental activities column in the government-wide Statement of Net Position.

Major funds - governmental

The District reports the following major governmental fund:

The General Fund is the District's primary operating fund and the District's only fund. It accounts for all financial resources of the District.

Budgetary information

The District has elected to report budgetary comparison of major funds as required supplementary information (RSI).

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Capital assets

Capital assets, which include water control structures and equipment, are reported in the government-wide Statement of Net Position.

The District follows a capitalization policy which calls for capitalization of all capital assets that have a cost or donated value of $1,000 or more and have a useful life in excess of one year.

All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date donated. Public domain (infrastructure) capital assets consisting of certain improvements other than buildings, including culverts and excavations, are capitalized. The District does not own any canals. The canals are owned by the respective landowners and are used and maintained by the District; however, the District does build and maintain certain water control structures.

Although the District continually maintains the drainage structures it owns, the District elected to depreciate such systems. No debt-related interest expense is capitalized as part of capital assets in accordance with GASB Statement Number 34.

Maintenance, repairs and minor renovations are not capitalized. The acquisition of land and construction projects utilizing resources received from Federal and State agencies are capitalized when the related expenditure is incurred.

Expenditures that materially increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement, the cost is eliminated from the respective accounts.

Expenditures for capital assets are recorded in the fund statements as current expenditures. However, such expenditures are not reflected as expenses in the government-wide statements but rather are capitalized and depreciated.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Capital assets, continued

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

Asset	Years
Water control structures and equipment	10-25

Budgets and budgetary accounting

The District has adopted an annual budget for the General Fund.

The Board of Supervisors assigned fund balance of $250,000 to fund unanticipated emergency disaster operating expenses.

The District follows these procedures in establishing budgetary data for the General Fund.

1. During the summer of each year, the Treasurer submits to the Board of Supervisors a proposed operating budget for the fiscal year commencing on the upcoming October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer/landowner comments.
3. The budget is adopted by approval of the Board of Supervisors.
4. Budget amounts, as shown in these basic financial statements, are as originally adopted or as amended by the Board of Supervisors.
5. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America.
6. The level of control for appropriations is exercised at the fund level.
7. Appropriations lapse at year-end.
8. The Board of Supervisors did amend the budget during the fiscal year ended September 30, 2025, to adjust estimated fund balance to the audited balance in the amount of $37,512.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Budget and budgetary accounting, continued

The Board of Supervisors adopted a resolution providing that any excess over originally budgeted items, as well as any budgeted contingencies, may be transferred between line items to offset insufficiently budgeted items as long as the overall budget was not in excess of the total appropriation.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District because, at present, it is not necessary in order to assure effective budgetary control or to facilitate effective cash planning and control.

Net position

In the government-wide financial statements, no net assets have been identified as restricted. Restricted net assets are those net assets that have constraints as to their use externally imposed by creditors, through debt covenants, by grantors, or by law.

Fund balances

The governmental fund financial statements the District maintains include nonspendable, assigned and unassigned fund balances. Nonspendable fund balances are those that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Criteria include items that are not expected to be converted into cash, such as prepaid expenses and deposits.

The District's assigned fund balances are a result of the District's Board approval. The District's intent is to maintain a minimum assigned fund balance level of $250,000. This assigned fund balance will serve as the District's disaster reserve as recommended by the District's engineer.

It is also the intent of the District to maintain fund balances not less than three (3) months of budgeted operating expenditures.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Management estimates

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

Subsequent events

Subsequent events have been evaluated through March 31, 2026, which is the date the financial statements were available to be issued.

Leases

The District determined it had no operating lease agreements, therefore, did not meet the recording criteria of GASB Statement No. 87 at September 30, 2025.

Accounting Guidance

GASB 94: Public-Private and Public-Public Partnerships and Availability Payment Arrangements

The District adheres to the requirements of GASB Statements No. 94, *"Public-Private and Public-Public Partnerships and Availability Payment* Arrangements (PPPs)", in which a liability and right-to-use asset is recorded. The District evaluate its PPPs annually. The District had no arrangements that met this Statement's reporting criteria and/or the related arrangement costs were considered immaterial for the year ended September 30, 2025.

GASB 96: *Subscription-Based Information Technology Arrangements (SBITAs)*

The District adheres to the requirements of GASB Statement No. 96, "*Subscription-Based Information Technology Agreements (SBITAs)* ", in which a subscription liability and right-to-use asset is recorded. The District evaluates its SBITAs annually. The District had no arrangements that met this Statement's reporting criteria and/or the related arrangement costs were considered immaterial for the year ended September 30, 2025.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Accounting Guidance, continued

GASB 100: Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62

In June 2022, the GASB issued Statement No. 100 (*Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*), which prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. The provisions of this Statement are effective for the District's financial statements for the year ended September 30, 2025. The District, however, did not have any accounting changes or error corrections to report for the year ended September 30, 2025. The adoption of the Statement did not result in any changes to the District's accounting policies, financial reporting practices, or previously reported amounts.

GASB 101: *Compensated Absences*

In June 2022, the GASB issued Statement No. 101 (Compensated Absences) which defined compensated absences and established recognition and measurement guidance for liabilities related to compensated absences, such as vacation, sick leave, and similar employee benefits. The provisions of the Statement are effective for the District's financial statements for the year ended September 30, 2025. The adoption of the Statement 101 did not result in any changes to the District's accounting policies, financial reporting practices, or previously reported amounts as the District had no employees during the year ended September 30, 2025. Accordingly, there was no impact on beginning net position or fund balance, and no restatement of prior-period financial statements was required.

NOTE 2 - CASH AND CASH EQUIVALENTS

At September 30, 2025, cash and cash equivalents were $287,959.

Deposits

The District's deposit policy allows deposits to be held in demand deposit or money market accounts per Florida Statute 218.415(17). District policy requires all depositories used by the District to be banks or savings institutions designed as qualified depositories by the State Treasurer and all accounts held by the District to be designated as "public funds."

NOTE 2 - CASH AND CASH EQUIVALENTS, CONTINUED

Deposits, continued

At September 30, 2025, the carrying amount and bank balances of the District's deposits were $287,959 and $291,295, respectively, in the General Fund. These deposits were entirely covered by federal depository insurance or by collateral pursuant to the Public Depository Security Act (Florida Statute 280) of the State of Florida. All deposits were held in a qualified public depository at September 30, 2025.

NOTE 3 - CAPITAL ASSETS ACTIVITY

The following is a summary of changes in capital assets activity for the year ended September 30, 2025:

	Balance October 1, 2024	Increases/ Additions	Decreases/ Retirements	Adjustments/ Reclassification	Balance September 30, 2025
Capital Assets Not Being Depreciated:					
Land	$ -	$ -	$ -	$ -	$ -
Total Capital Assets Not Being Depreciated	-	-	-	-	-
Capital Assets Being Depreciated:					
Water control structures & equip	1,620,156	-	-	-	1,620,156
Total Capital Assets Being Depreciated	1,620,156	-	-	-	1,620,156
Less Accumulated Depreciation:					
Water control structures & equip	(1,483,847)	(47,766)	-	-	(1,531,613)
Total Accumulated Depreciation	(1,483,847)	(47,766)	-	-	(1,531,613)
Total Capital Assets Being Depreciated, Net	136,309	(47,766)	-	-	88,543
Capital Assets, Net	$ 136,309	$ (47,766)	$ -	$ -	88,543
				Outstanding Debt	-
				Net Investment in Capital Assets	$ 88,543

NOTE 3 - CAPITAL ASSETS ACTIVITY, CONTINUED

Depreciation expense was charged to the following functions during the year ended September 30, 2025:

	Amount
Physical environment - water control	$ 47,766
Total Depreciation Expense	$ 47,766

NOTE 4 - MAINTENANCE AND INSTALLMENT TAXES

Maintenance and installment taxes are generally levied on November 1 of each year, after formal adoption of the District's budget, and become due and payable upon receipt of the Tax Notice. Discounts are allowed for payment of maintenance taxes prior to March 1 of the following year. On April 1, any unpaid taxes become delinquent. If the taxes remain unpaid, tax certificates are then offered for sale to the general public. The billing, collection, and related recordkeeping of all maintenance and installment taxes is performed for the District by the Hendry County Tax Collector. Taxes are recognized as revenue when levied to the extent that they result in current receivables.

Key dates in the maintenance and installment tax cycle (latest date, where appropriate) are as follows:

Prior to June 1	* Maintenance assessment annual tax levy resolution submitted to the Hendry County Property Appraiser.
November 1	* Taxes are due and payable (levy date) with various discount provisions through March 31.
April 1	* Taxes become delinquent.
Prior to June 1	* Tax certificates sold by Hendry County.

Under the provisions of Chapter 298.54 of the Florida Statutes, the Board of Supervisors of the District levied a maintenance tax of $6.64 per acre of land of citrus production and $8.65 per acre of land used for sugar cane production and $3.06 per acre of land of pasture within the District to pay the operating costs for the year ended September 30, 2025. These costs include field operations, surveys, engineering, legal and accounting fees and other expenses as considered necessary by the Board.

NOTE 5 - SELF-INSURANCE PROGRAM

The District is a member of the Florida League of Cities self-insurance program for general/professional liability and property insurance. The program purchases excess and other specific coverage from third party carriers. Members of the program are annually assessed and billed quarterly for their portion of the program and are not assessable for unanticipated losses incurred by the program. Maximum liability coverage is $1,000,000. The premium paid during the year ended September 30, 2025, totaled $15,682 including the cost of the Treasurer's bond.

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

COLLINS SLOUGH WATER CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND - SUMMARY STATEMENT
For the year ended September 30, 2025

	General Fund			
REVENUES	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Maintenance taxes (net)	$ 117,343	$ 117,343	$ 115,001	$ (2,342)
Canal use fees	20,831	20,831	54,015	33,184
Interest	22,500	22,500	14,487	(8,013)
Other	2,910	2,910	-	(2,910)
Prior year budgeted carryforward	463,809	501,321	-	(501,321)
TOTAL REVENUES	627,393	664,905	183,503	(481,402)
EXPENDITURES				
Current				
General government				
Administration				
Operating expenditures	61,325	61,325	48,579	12,746
	61,325	61,325	48,579	12,746
Physical environment				
Field operations				
Operating expenditures	112,938	228,483	265,214	(36,731)
	112,938	228,483	265,214	(36,731)
Capital outlay	20,000	20,000	-	20,000
Contingency	-	-	-	-
Reserves - assigned	250,000	250,000	-	250,000
Reserves - unassigned	183,130	105,097	-	105,097
TOTAL EXPENDITURES	627,393	664,905	313,793	351,112
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ -	$ -	(130,290)	$ (130,290)
FUND BALANCE - BEGINNING			501,321	
FUND BALANCE - ENDING			$ 371,031	

The accompanying notes are an integral part of this statement.

COLLINS SLOUGH WATER CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND - DETAILED STATEMENT
For the year ended September 30, 2025

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Maintenance taxes (gross)	$ 119,738	$ 119,738	$ 115,001	$ (4,737)
Less: Discounts	(2,395)	(2,395)	-	2,395
Maintenance taxes (net)	117,343	117,343	115,001	(2,342)
Canal use fees	20,831	20,831	54,015	33,184
Interest	22,500	22,500	14,487	(8,013)
Other	2,910	2,910	-	(2,910)
Prior year budgeted carryforward	463,809	501,321	-	(501,321)
TOTAL REVENUES	627,393	664,905	183,503	(481,402)
EXPENDITURES				
Current				
General government - administration				
Operating expenditures				
Fees-legal notices/banking/other	250	250	-	250
Accounting	10,000	10,000	9,300	700
Tax collection fees	2,500	2,500	1,150	1,350
Engineering	7,500	7,500	3,320	4,180
Insurance - general	14,000	14,000	15,682	(1,682)
Membership fees	175	175	175	-
Consulting fees	8,400	8,400	8,400	-
Legal fees	15,000	15,000	9,952	5,048
Miscellaneous	3,500	3,500	600	2,900
TOTAL - ADMIN EXPENSES	61,325	61,325	48,579	12,746
Physical environment				
Field operations				
Operating expenditures				
Canal spraying	7,938	20,000	22,926	(2,926)
Utilities	45,000	45,000	42,617	2,383
Repairs and Maintenance	10,000	11,483	58,486	(47,003)
Joint Trust Agreement	50,000	152,000	141,185	10,815
TOTAL - FIELD OPERATIONS	112,938	228,483	265,214	(36,731)
Capital outlay	20,000	20,000	-	20,000
Contingency	-	-	-	-
Reserve - assigned	250,000	250,000	-	250,000
Reserve - unassigned	183,130	105,097	-	105,097
TOTAL	453,130	375,097	-	375,097
TOTAL EXPENDITURES	627,393	664,905	313,793	351,112
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ -	$ -	(130,290)	$ (130,290)
FUND BALANCE - BEGINNING			501,321	
FUND BALANCE - ENDING			$ 371,031	

The accompanying notes are an integral part of this statement.

ADDITIONAL REPORTS

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

Board of Supervisors
Collins Slough Water Control District
606 W. Sugarland Highway
Clewiston, Florida 33440

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America, the basic financial statements of the governmental activities and each major fund of Collins Slough Water Control District (the "District") as of and for the 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 and have issued our report thereon dated March 31, 2026.

Internal Control Over Financial Reporting

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

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

material misstatement of the basic 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, as defined previously. However, material weaknesses may exist that have not been identified.

We did, however, note a certain other matter that we have reported in our Independent Auditor's Report to Management dated March 31, 2026.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Collins Slough Water Control District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 that are required to be reported under Government Auditing Standards.

We did, however, note a certain other matter that we have reported in our Independent Auditor's Report to Management dated March 31, 2026.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HSC/ Tuscan & Company, P.A.

HSC/TUSCAN & COMPANY, P.A.
Fort Myers, Florida
March 31, 2026

HSC/Tuscan
& Company, PA
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

Board of Supervisors
Collins Slough Water Control District
606 W. Sugarland Highway
Clewiston, Florida 33440

We have examined Collins Slough Water Control District's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2025. Management is responsible for Collins Slough Water Control District's compliance with those requirements. Our responsibility is to express an opinion on Collins Slough Water Control 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 and, accordingly, included examining, on a test basis, evidence about Collins Slough Water Control District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Collins Slough Water Control District's compliance with specified requirements.

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

This report is intended solely for the information and use of the Collins Slough Water Control District and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

HSC/Tuscan & Company, P.A.

HSC/TUSCAN & COMPANY, P.A.
Fort Myers, Florida
March 31, 2026

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INDEPENDENT AUDITOR'S REPORT TO MANAGEMENT

Board of Supervisors
Collins Slough Water Control District
606 W. Sugarland Highway
Clewiston, Florida 33440

We have audited the accompanying basic financial statements of Collins Slough Water Control District (the "District") as of and for the year ended September 30, 2025, and have issued our report thereon dated March 31, 2026.

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 of America and Chapter 10.550, Rules of the Florida Auditor General. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters based on an audit of the financial statements performed in accordance with Government Auditing Standards and Chapter 10.550, Rules of the Florida Auditor General. Disclosures in those reports, which are dated March 31, 2026, should be considered in conjunction with this report to management.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports:

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

- Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. No such recommendations were noted to improve financial management.

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- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

- Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The District discloses this information in the notes to the financial statements.

- Section 10.554(1)(i)5.a., Rules of the Auditor General, requires a statement be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

- Pursuant to Sections 10.554(1)(i)5.b(1) and 10.556(7), Rules of the Auditor General, we have applied financial condition assessment procedures pursuant to Rule 10.556(8). It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. In connection with our audit, we determined that the District did not meet any of the criteria of a deteriorating financial condition described in Auditor General Rule Section 10.554(1)(i)(5).a except as noted in comment 2025-01 below.

- Pursuant to Section 10.554(1)(i)5.b.(2), Rules of the Auditor General, if a deteriorating financial condition(s) is noted then a statement is so required along with the conditions causing the auditor to make such a conclusion. See comment 2025-01 below.

- Pursuant to Section 10.554(1)(i)5.c., Rules of the Auditor General, requires a statement indicating a failure, if any, of a component unit Special District to provide financial information necessary to a proper reporting of the component unit within the audited financial statements of this entity (F.S. Section 218.39(3)(b)). There are no known component special districts required to report within these financial statements.

- Pursuant to Section 10.554(1)(i)7, Rules of the Auditor General, requires disclosure of certain unaudited data. See Exhibit 2.

- Pursuant to Section 10.554(1)(i)8, Rules of the Auditor General, requires an independent special district that imposes ad valorem taxes to disclose certain related unaudited data. See Exhibit 2.

- Section 10.554(l)9, Rules of the Auditor General, requires an independent special district that imposes a non-ad valorem special assessment to disclose certain unaudited data. See Exhibit 2.

- Section 10.556(10)(a), Rules of the Auditor General, requires that the scope of our audit to determine the entity's compliance with the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the District complied with Section 218.415, Florida Statutes as reported in our Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes dated March 31, 2026, included herein.

PRIOR YEAR COMMENTS:

No financially significant items noted.

CURRENT YEAR COMMENTS:

2025-01 **Financial Condition Should be Monitored**

During the audit, we noted that the District's fund balance has decreased significantly from 2024 to 2025. Specifically,the fund balance has decreased by 27%, with an unassigned fund balance of $87,332 as of September 30, 2025, compared to $221,821 in the prior year. We noted operating expenditures increased by approximately $91,000 from 2024 to 2025. Revenue was reduced by approximately $57,000 due to less canal usage fees. We also noted and understand the Board of Supervisors planned and budgeted to partially fund fiscal year 2025 expenditures with fund balance. However, it should be recognized that the continued use of the fund balance may raise substantial concern about the District’s ability to sustain operations and meet its financial obligations in the normal course of business.

We recommend the District monitor fund balance levels and consider assessment increases to offset such costs and preserve existing reserves as well as focused monitoring of the annual expenditures and fund balance. It should be noted that the District did increase the maintanence tax rate for FY26 although expenditures were budgeted in an amount greater than revenue.

2025-02 **Late Public Depositor Annual Report**

During the audit it was noted that the District submitted the required Public Depositor Annual Report for fiscal year 2025 to the Florida Department of Financial Services after November 30, the deadline required by Section 280.17(6), Florida Statutes. The report was submitted on February 27, 2026.

We recommend the District ensure timely future compliance with statutory deadlines.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the Board of Commissioners, management, the Auditor General of the State of Florida and other federal and state agencies. This report is not intended to be and should not be used by anyone other than these specified parties.

HSC/TUSCAN & COMPANY, P.A.
Fort Myers, Florida
March 31, 2026

EXHIBIT 1

COLLINS SLOUGH WATER CONTROL DISTRICT

P.O. Box 265
Clewiston, FL 33440
(863) 983-8590

June 18, 2026

HSC/Tuscan & Company
1470 Royal Palm Square Blvd.
Fort Myers, FL 33919

In compliance with Chapter 10.550, Rules of the Auditor General, the following response is submitted to your Report to Management, dated March 31, 2026.

We accept the basic financial statements and have noted that there are two current year comments for Collins Slough Water Control District.

2025-01	Financial Condition Should be Monitored
2025-02	Late Public Depositor Annual Report

Sincerely,

Treasurer

Collins Slough Water Control District

EXHIBIT 2

UNAUDITED
COMPLIANCE WITH REPORTING REQUIRED BY:

Auditor General Rule 10.554(1)(i)7
For a dependent special district or an independent special district, or a local government entity that includes the information of a dependent special district as provided in Section 218.39(3)(a), Florida Statutes, the following specific information provided by management (with explanatory verbiage that the auditor provides no assurance on the information):

a. The total number of district employees compensated in the last pay period of the district's fiscal year being reported (see information required in Section 218.32(1)(e)2.a., Florida Statutes 0

b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year being reported (see information required in Section 218.32(1)(e)2.b., Florida Statutes). 0

c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency (see information required in Section 218.32(1)(e)2.c., Florida Statutes). (Total wage compensation for the fiscal year being audited) 0

d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency (see information required in Section 218.32(1)(e)2.d., Florida Statutes). (Amounts paid that would be reported on a Form 1099 for FYE) 0

e. Each construction project with a total cost of at least $65,000 approved by the district that was scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project (see information required in Section 218.32(1)(e)2.e., Florida Statutes). N/A

f. A budget variance report based on the budget adopted under section 189.016(4), Florida Statutes, before the beginning of the fiscal year reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes (see information required in Section 218.32(1)(e)3., Florida Statutes). If there were amendments then include budget variance (original budget vs. actual at FYE). See attached Exhibit 2 page 3.

Auditor General Rule 10.554(1)(i)8
For an independent special district that imposes ad valorem taxes, the following specific information provided by management (with explanatory verbiage that the auditor provides no assurance on the information): (see information required in Section 218.32(1)(e)4., Florida Statutes).

a. The millage rate or rates imposed by the district. N/A

b. The current year gross amount of ad valorem taxes collected by or on behalf of the district. N/A

c. The total amount of outstanding bonds issued by the district and terms of such bonds. N/A

Auditor General Rule 10.554(1)(i)9
For an independent special district that imposes non-ad valorem special assessments, the following specific information provided by management (with explanatory verbiage that the auditor provides no assurance on the information): (see information required in Section 218.32(1)(e)5., Florida Statutes).

a. The rate or rates of such assessment imposed by the district.
Citrus: $6.64/acre
Sugar Cane: $8.65/acre
Pasture: $3.06/acre

b. The total amount of special assessments collected by or on behalf of the district.
$115,001

c. The total amount of outstanding bonds issued by the district and the terms of such bonds. N/A

COLLINS SLOUGH WATER CONTROL DISTRICT
ORIGINAL BUDGET vs. ACTUAL COMPARISON REPORT - UNAUDITED - GENERAL FUND
For the year ended September 30, 2025

	General Fund		
REVENUES	Original Budget	Actual	Variance Favorable (Unfavorable)
Maintenance taxes (net)	$ 117,343	$ 115,001	$ (2,342)
Canal use fees	20,831	54,015	33,184
Interest	22,500	14,487	(8,013)
Other	2,910	-	(2,910)
Prior year budgeted carryforward	463,809	-	(463,809)
TOTAL REVENUES	627,393	183,503	(443,890)
EXPENDITURES			
Current			
General government			
Administration			
Operating expenditures	61,325	48,579	12,746
	61,325	48,579	12,746
Physical environment			
Field operations			
Operating expenditures	112,938	265,214	(152,276)
	112,938	265,214	(152,276)
Capital outlay	20,000	-	20,000
Contingency	-	-	-
Reserves - assigned	250,000	-	250,000
Reserves - unassigned	183,130	-	183,130
TOTAL EXPENDITURES	627,393	313,793	313,600
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ -	(130,290)	$ (130,290)
FUND BALANCE - BEGINNING		501,321	
FUND BALANCE - ENDING		$ 371,031	

The accompanying notes are an integral part of this statement.

COLLINS SLOUGH WATER CONTROL DISTRICT

606 West Sugarland Hwy
P.O. Box 265
Clewiston, FL 33440

August 19, 2026

Sherrill F. Norman, CPA
Auditor General
401 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

Re: Management's Response to Independent Auditor's Report
Fiscal Year 2024-2025

Dear Ms. Norman,

The Rules of the Auditor General require the audit report to include a written statement of explanation, including corrective action to be taken, or a rebuttal regarding any deficiencies cited in the auditors' reports and management letter.

CURRENT YEAR COMMENTS:

Finding 2025-01 – Financial Condition Should be Monitored

The Board of Directors increased the maintenance tax rate for fiscal year ending September 30, 2026, by 25%. During the board meeting in June 2026, the Board of Directors reviewed the fund balance levels and approved for the maintenance tax rates to continue at the higher rate.

Finding 2025-02 – Late Public Depositor Annual Report

The notice of filing the Public Depositor Annual Report was mailed to the previous bookkeeper and was not forwarded to the current bookkeeper. Although this no excuse for being late, the new bookkeeper has now put a reminder on the calendar so that the deadline will not be missed in the future.

If you need any additional information, please contact our office at (863) 983-8590.

Sincerely,

Amy L. Swindle, CPA

Amy L. Swindle, CPA
Treasurer – Collins Slough Water Control District