

EAST BEACH WATER CONTROL DISTRICT
FINANCIAL STATEMENTS WITH INDEPENDENT
AUDITOR'S REPORT THEREON
FISCAL YEAR ENDED SEPTEMBER 30, 2025



EAST SHORE WATER CONTROL DISTRICT
SEPTEMBER 30, 2025

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INDEPENDENT AUDITOR’S REPORT

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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 the East Beach Water Control District, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the East Beach Water Control 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 East Beach 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 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 East Beach Water Control 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the District adopted the recognition and disclosure requirements of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, effective October 1, 2024. Our opinions are not modified with respect to this matter

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the East Beach Water Control 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 and *Government 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 and *Government 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 East Beach Water Control 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 East Beach Water Control District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 9 and the budgetary comparison information on pages and 33 through 35 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with

auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the information presented for compliance with Section 218.39(3)(c), Florida Statutes and Section 10.554(1)(i)7-9, Rules of the Auditor General but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic 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 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 Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2026, on our consideration of the East Beach Water Control District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 East Beach Water Control 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 East Beach Water Control District's internal control over financial reporting and compliance.

Nowlen, Holt & Miner, P.A.

West Palm Beach, Florida
February 9, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of East Beach Water Control District ("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.

We would also like to make the reader aware of the existence of related party activities. This District has entered into an interlocal agreement with six other area water control districts to provide for the administration of the various districts' operations under the control of a District Manager. A central office and staff are maintained to operate the Districts. Administrative and supervisory personnel costs, compensated absences, and general operating costs are allocated in agreed upon percentages. Other labor costs and operating expenses are charged to the specific District to which they relate.

FINANCIAL AND DISTRICT HIGHLIGHTS

Financial Highlights

- The assets of the District exceeded its liabilities at the end of the fiscal year ended September 30, 2025, by \$1,436,057. Of this amount, \$341,685 (unrestricted net position) may be used to meet the District's ongoing operations.
- The District's total net position increased by \$23,191.
- The District's total revenue (on an accrual basis) was \$244,554 for the year ended September 30, 2025.
- Total expenses (on an accrual basis) for all of the District's activities were \$221,363 for the year.

District Highlights

- The District is currently in the maintenance mode of operations for its water control facilities.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's 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.

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

Government-Wide Financial Statements (Continued)

The statement of net position presents information on all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual amount being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the 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, revenue 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 special assessment revenues. The District does not have any business-type activities.

Fund Financial Statements

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

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 financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. (See pages 13 and 15)

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

Governmental Funds (Continued)

The District maintains one governmental fund for external reporting. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund which is 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. (See pages 33 and 34)

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

Assets exceeded liabilities by \$1,436,057 for the fiscal year ended September 30, 2025. The largest assets include investments and capital assets which are approximately 24% and 74% of the District's total assets, respectively, and are to be used to meet the financial obligations for the District's ongoing operations, except for capital assets. Capital assets are used to provide services to the District's citizens and are not available for future spending.

The following table provides a summary of the net position as of September 30, 2025 and 2024:

	<u>2025</u>	<u>2024 (1)</u>
Assets		
Current and other assets	\$ 382,046	\$ 366,883
Capital assets, net	1,094,372	1,104,452
Total assets	<u>1,476,418</u>	<u>1,471,335</u>
Liabilities		
Current and other liabilities	31,159	45,179
Long-term liabilities	9,202	13,290
Total liabilities	<u>40,361</u>	<u>58,469</u>
Net position		
Net investment in capital assets	1,094,372	1,100,741
Unrestricted	341,685	312,125
Total net position	<u>\$ 1,436,057</u>	<u>\$ 1,412,866</u>

(1) As restated see Note 1 to the financial statements

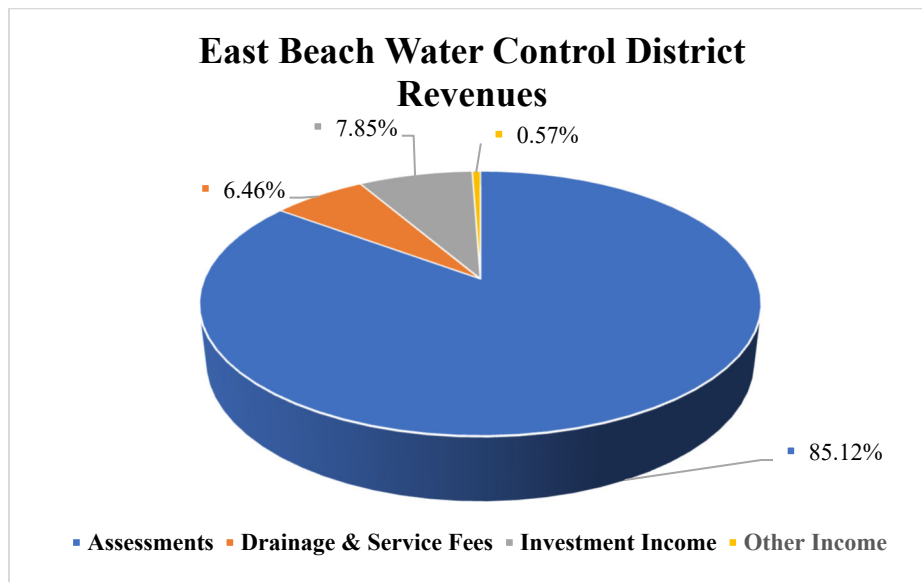
GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The following table provides a summary of the changes in net position for the fiscal years ended September 30, 2025 and 2024:

	<u>2025</u>	<u>2024 (1)</u>
Revenues		
Program revenues		
Charges for services	\$ 223,968	\$ 219,369
General revenues		
Investment income	19,193	21,818
Other income	1,393	1,615
Total revenues	<u>244,554</u>	<u>242,802</u>
Expenses		
Physical environment	221,357	233,967
Interest on long-term debt	6	21
Total expenses	<u>221,363</u>	<u>233,988</u>
Change in net position	23,191	8,814
Net position - beginning	<u>1,412,866</u>	<u>1,404,052</u>
Net position - ending	<u>\$ 1,436,057</u>	<u>\$ 1,412,866</u>

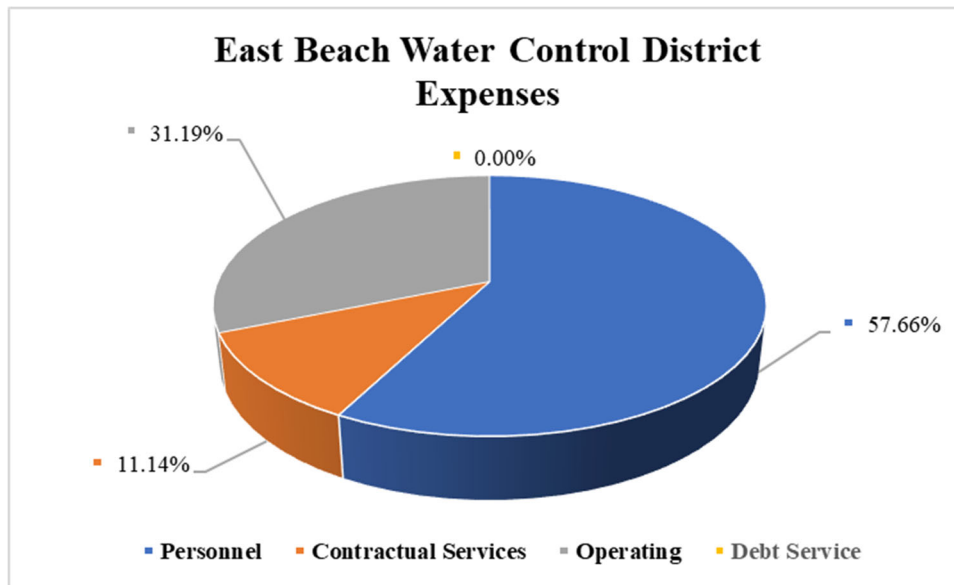
(1) As restated see Note 1 to the financial statements

The chart below presents the revenues by sources for the governmental activities.



GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The chart below presents the expenses for the governmental activities.



CAPITAL ASSETS

The District’s investment in capital assets for its governmental activities as of September 30, 2025, amounted to \$1,094,372 (net of accumulated depreciation). There were \$7,175 of capital additions and \$1,923 of capital disposals during 2025. The following table summarizes the District’s capital assets as of September 30, 2025 and 2024:

	2025	2024
Land	\$ 969,764	\$ 969,764
Buildings	12,192	13,295
Improvements other than buildings	8,150	8,936
Machinery and equipment	97,339	107,756
Vehicles	6,927	4,701
	<u>\$ 1,094,372</u>	<u>\$ 1,104,452</u>

DEBT ADMINISTRATION

The following table presents the District's long-term liabilities as of September 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Loan payable	\$	\$ 3,711
Compensated absences	<u>9,202</u>	<u>9,579</u>
	<u>\$ 9,202</u>	<u>\$ 13,290</u>

BUDGETARY HIGHLIGHTS

The District adopted the fiscal year 2024/2025 with the same assessment rate as fiscal year 2023/2024. Total expenditures budgeted for the fiscal year ended September 30, 2025, were \$268,764. Total revenues budgeted were \$225,297.

Total actual expenditures were \$53,386 less than budgeted expenditures. This was mainly due to the following:

- Fuel for pump stations was significantly less than expected.
- Several other operating expenditures were less than expected.

Total actual revenues were \$19,255 greater than the budgeted revenue. Additional budget comparison information is presented on pages 33 and 34.

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

The following highlights were considered in creating the 2025/2026 budget:

- The assessment rate remained at \$30 per acre.
- Continue funding of programs/support for permit compliance and best management practices.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our readers with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Tony De Corral, District Manager, 2832 N. Main Street, Belle Glade, Florida 33430, Telephone No. (561) 996-2940.

East Beach Water Control District
Statement of Net Position
September 30, 2025

	Governmental Activities
Assets	
Cash	\$ 1,241
Investments	360,163
Accounts receivable	2,296
Due from other governments	1,230
Prepaid items	294
Inventory	16,822
Capital assets	
Non-depreciable	969,764
Depreciable (net of depreciation)	124,608
Total assets	1,476,418
Liabilities	
Accounts payable	764
Accrued liabilities	4,124
Due to other governments	26,271
Due within one year:	
Compensated absences	8,132
Due in more than one year:	
Compensated absences	1,070
Total liabilities	40,361
Net Position	
Net investment in capital assets	1,094,372
Unrestricted	341,685
Total net position	\$ 1,436,057

See notes to the financial statements

**East Beach Water Control District
Statement of Activities
For the Year Ended September 30, 2025**

Function / Program Activities	<u>Expenses</u>	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Total Governmental Activities</u>
Governmental activities					
Physical environment	\$ 221,357	\$ 223,968	\$	\$	\$ 2,611
Interest on long-term debt	6				(6)
Total governmental activities	<u>\$ 221,363</u>	<u>\$ 223,968</u>	<u>\$</u>	<u>\$</u>	<u>2,605</u>
General revenues					
Interest income - unrestricted					19,193
Gain on sale of capital assets					262
Miscellaneous					1,131
Total general revenues					<u>20,586</u>
Change in net position					
					23,191
Net position, beginning of year as reported					
					1,422,445
Adjustment for implementation of GASB Statement No. 101					
					(9,579)
Net position, beginning of year as restated					
					<u>1,412,866</u>
Net position, end of year					
					<u>\$ 1,436,057</u>

See notes to the financial statements

**East Beach Water Control District
Balance Sheet
Governmental Funds
September 30, 2025**

	<u>General Fund</u>
Assets	
Cash	\$ 1,241
Investments	360,163
Accounts receivable	2,296
Due from other governments	1,230
Prepaid items	294
Inventory	16,822
Total assets	<u>\$ 382,046</u>
 Liabilities	
Accounts payable	\$ 764
Accrued liabilities	4,124
Due to other governments	26,271
Total liabilities	<u>31,159</u>
 Fund Balances	
Nonspendable - inventory and prepaid items	17,116
Committed - reserve account	264,070
Assigned - subsequent year's expenditures	18,467
Unassigned	51,234
Total fund balances	<u>350,887</u>
Total liabilities and fund balances	<u>\$ 382,046</u>

See notes to the financial statements

**East Beach Water Control District
 Reconciliation of the Balance Sheet – Governmental Funds
 to the Statement of Net Position
 September 30, 2025**

Fund balances total governmental funds		\$ 350,887
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.</p>		
Governmental capital assets	1,553,699	
Less accumulated depreciation	<u>(459,327)</u>	1,094,372
<p>Long-term liabilities, including notes and bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.</p>		
Compensated absences		<u>(9,202)</u>
Net position of governmental activities		<u><u>\$ 1,436,057</u></u>

See notes to the financial statements

East Beach Water Control District
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Funds
For the Year Ended September 30, 2025

	<u>General Fund</u>
Revenues	
Assessments, net of discounts	\$ 208,159
Payment in lieu of taxes	5,809
Charges for services	10,000
Interest	19,193
Miscellaneous	1,393
Total revenues	<u>244,554</u>
Expenditures	
Current	
Physical environment	204,479
Capital outlay	7,175
Debt Service	
Principal	3,711
Interest	15
Total expenditures	<u>215,380</u>
Net change in fund balances	29,174
Fund balances, beginning of year	<u>321,713</u>
Fund balances, end of year	<u>\$ 350,887</u>

See notes to the financial statements

East Beach Water Control District
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balances of the Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2025

Net change in fund balances - total governmental funds \$ 29,174

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for capital assets	\$ 7,175	
Less: current year depreciation	<u>(17,255)</u>	(10,080)

The issuance of long-term debt provides current financial resources to governmental funds, while repayment of long-term debt uses current financial resources of governmental funds. The issuance of long-term debt increases the long-term liabilities of the governmental activities, while repayment of long-term liabilities reduces the long-term liabilities of the governmental activities

Principal payments on debt	3,711	
Change in accrued interest payable	<u>9</u>	3,720

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Decrease in compensated absences		<u>377</u>
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Change in net position		<u><u>\$ 23,191</u></u>
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See notes to the financial statements

EAST BEACH WATER CONTROL DISTRICT
Notes to the Financial Statements
September 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the East Beach Water Control District (the “District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The District’s significant accounting policies are described below.

Reporting Entity

East Beach Water Control District was created by Florida Statutes, Chapter 22877, Acts of 1945. The operations of the District are fundamentally governed by Chapter 75-469, as amended by Chapter 80-565, which have been codified by Chapter 2000-487, Laws of Florida, Acts of 2000.

The District is an independent special district created pursuant to the method authorized in Chapter 298 of the Florida Statutes. A three-member Board of Supervisors elected by the landowners of the District governs the District. The Board appoints a District Manager to administer the policies emanating from its statutory powers and authority.

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 key personnel.
- 6) Financing improvements.

As required by generally accepted accounting principles, these financial statements include the District (the primary government) and its component units. Component units are legally separate entities for which the District is financially accountable. The District is financially accountable if:

- a) the District appoints a voting majority of the organization’s governing board and (1) the District is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the District, or
- b) the organization is fiscally dependent on the District and (1) there is a potential for the organization to provide specific financial benefits to the District or (2) impose specific financial burdens on the District.

EAST BEACH WATER CONTROL DISTRICT
Notes to the Financial Statements
September 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

Organizations for which the District is not financially accountable are also included when doing so is necessary in order to prevent the District's financial statements from being misleading.

Based upon application of the above criteria, management of the District has determined that no component units exist which would require inclusion in this report. Further, the District is not aware of any entity that would consider the District to be a component unit.

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 the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes, special assessments, and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for support. The District has no business-type activities.

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. 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 requirements of a particular function. Taxes and other items not included among program revenues are reported instead as general revenues.

Fund financial statements are provided for governmental funds. The District has no fund types other than governmental funds. Major individual governmental funds are reported in separate columns in the fund financial statements.

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 recorded when a liability is incurred, regardless of the timing of related cash flows. Assessments are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

EAST BEACH WATER CONTROL DISTRICT
Notes to the Financial Statements
September 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds

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 afterwards to pay liabilities of the current period. The District considers revenues collected within 60 days of the year end to be available to pay liabilities of the current period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures relating to compensated absences and claims and judgments are recorded only when payment is due.

Assessments, charges for services, intergovernmental revenues, and investment income are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

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 needed.

The District reports the General Fund as a major governmental fund. The General Fund is the general operating fund of the District. It is used to account for all financial resources and is the only fund of the District.

Cash and Cash Equivalents

Cash and cash equivalents include amounts on deposit in demand accounts. The District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available; for others, it might not be available. However, the objective of fair value measurement in both cases is the same, that is, to determine the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date

EAST BEACH WATER CONTROL DISTRICT
Notes to the Financial Statements
September 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments (Continued)

under current market conditions. Fair value is an exit price at the measurement date from the perspective of a market participant that controls the asset or is obligated for the liability. The District categorizes investments reported at fair value in accordance with the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurement and Application*.

Accounts Receivable

Accounts receivable of the General Fund consists of billed and unbilled receivables. The District has not established an allowance for doubtful accounts because the District considers all receivables to be collectible.

Prepaid Items

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. In the governmental funds, prepaid items are recorded using the consumption method and are offset by the nonspendable fund balance component which indicates they do not constitute available spendable resources, even though they are a component of current assets.

Inventories

Inventories consist of expendable fuel held for the District's use and are carried at cost using the first-in, first-out method. The District accounts for inventories using the consumption method, under which expenditures are recognized only when inventory items are used. Reported inventory is equally offset by nonspendable fund balance which indicates that it does not constitute "available spendable resources" even though it is a component of net current assets.

Capital Assets

Capital assets are defined by the District as assets with an estimated useful life in excess of two years and a value at the date of acquisition in excess of \$750. Capital assets are reported in the government-wide Statement of Net Position and include plant, property, equipment, and infrastructure assets (i.e., roads, bridges, canals, and pumping stations). Purchased capital assets are recorded at cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. The District was a Phase 3 government under GASB Statement No. 34 and elected not to report major general infrastructure assets retroactively.

EAST BEACH WATER CONTROL DISTRICT
Notes to the Financial Statements
September 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

Depreciation is computed using the straight-line method over the estimated useful lives for all reported capital assets, except land and construction in progress. The estimated useful lives are as follows:

Buildings	15 - 30 years
Machinery and equipment	5 - 10 years
Improvements	10 - 20 years
General infrastructure	10 - 50 years

Unearned Revenue

The government reports unearned revenue on its government wide Statement of Net Position and governmental funds balance sheet. Unearned revenue arises when resources are obtained prior to revenue recognition. In subsequent periods, when revenue recognition criteria are met the unearned revenue is removed and revenue is recognized.

Unavailable Revenue

The government reports unavailable revenue on its governmental funds balance sheet for resource inflows that do not qualify for recognition as revenue in a governmental fund because they are not yet considered available.

Deferred Outflows of Resources

The government-wide Statement of Net Position and the Governmental Funds Balance Sheet will sometimes include a separate section for deferred outflows of resources. This financial statement element represents a consumption of net assets applicable to future periods and will not be recognized as expenditures until the future period(s). The District has no items that qualify for reporting in this category.

Deferred Inflows of Resources

The government-wide Statement of Net Position and the Governmental Funds Balance Sheet will sometimes include a separate section for deferred inflows of resources. This financial statement element represents the acquisition of net assets applicable to future periods and will not be recognized as revenue until the future period(s). The District has no items that qualify for reporting in this category.

EAST BEACH WATER CONTROL DISTRICT
Notes to the Financial Statements
September 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

The District's employees are granted vacation in varying amounts based on length of service. Accrued vacation leave is paid in full upon separation of service up to a maximum of 60 hours. All employees are granted 40 hours of sick leave on January 1st each year. Sick leave that is not used by December 31st each year is forfeited and does not carry forward to the next calendar year. All employees are granted 16 hours of personal leave on January 1st each year. Personal leave that is not used by December 31st each year is forfeited and does not carry forward to the next calendar year.

Compensated absences are accrued when incurred in the government-wide financial statements. A liability is reported in the governmental funds only if it has matured, for example, as a result of employee resignations or retirement.

Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which does not significantly differ from the effective interest method. Bonds are reported net of the applicable band premium or discount.

In the fund financial statements, governmental fund types recognize band premiums and discounts, as well as bond issuance costs, during the current period. the face amount of debt issued is reported as another financing source. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balances

In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balance is reported under the following categories:

EAST BEACH WATER CONTROL DISTRICT
Notes to the Financial Statements
September 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances (Continued)

1. Nonspendable fund balances – Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale. However, if the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned, then they should be included in the appropriate fund balance classification (restricted, committed, or assigned), rather than the nonspendable fund balance. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.
2. Restricted fund balance – Includes amounts that are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
3. Committed fund balance – Includes amounts that can be used only for specific purposes pursuant to constraints imposed by an ordinance, the District’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same type of action employed to previously commit those amounts.
4. Assigned fund balance – Includes amounts intended to be used by the District for specific purposes, but are neither restricted nor committed. In accordance with the District’s fund balance policy, assignments may be made by formal action of the District Board or authority may be delegated to the District Manager.
5. Unassigned fund balance – Includes the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it may be necessary to report a negative unassigned fund balance if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

EAST BEACH WATER CONTROL DISTRICT
Notes to the Financial Statements
September 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances (Continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it is the District's policy to reduce restricted amounts first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the District's policy to reduce committed amounts first, followed by assigned amounts, then unassigned amounts.

Net Position

Net position is the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets plus deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net position is displayed in the following three components:

1. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by any outstanding liabilities that are attributable to the acquisition, construction or improvement of those assets, excluding unexpended proceeds.
2. Restricted net position – Consists of net position with constraints placed on the use either by: (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions of enabling legislation.
3. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Budgetary Data

Formal budgetary integration is employed as a management control device during the year for the General Fund. All budgets are legally enacted. Budgets are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted, or as amended by appropriate action.

EAST BEACH WATER CONTROL DISTRICT
Notes to the Financial Statements
September 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assessments

The assessment levy of the District is established by the Board of Supervisors, and becomes an enforceable lien on the property on January 1 of the following year. The District levied an assessment rate of \$30 per acre for the fiscal year ended September 30, 2025.

All assessments are due and payable on November 1 of each year or as soon thereafter as the tax roll is delivered to the county tax collector. Liens are placed on property as of January 1. All unpaid assessments become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February. The assessments paid in March are without discount.

On or prior to June 1 following the assessment year, certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest of 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold certificates become the property of the District, earning interest at a rate of 18% per year.

Use of Estimates

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenses during the period reported. These estimates include assessing the collectability of accounts receivable, the use and recoverability of inventory, and useful lives and impairment of tangible and intangible assets, among others. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from the estimates.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, February 9, 2026 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

EAST BEACH WATER CONTROL DISTRICT
Notes to the Financial Statements
September 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Implementation of Accounting Pronouncements

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

GASB Statement No. 101, *Compensated Absences*. The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absences and will eliminate potential comparability issues between governments that offer different types of leave. The model also will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences. The cumulative effect of applying this Statement is reported as a decrease in the beginning net position of the governmental activities in the amount of \$9,579.

GASB Statement No. 102, *Certain Risk Disclosures*. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition. See Note 8 for disclosures.

Recently Issued Accounting Pronouncements

A brief description of new accounting pronouncements that might have a significant impact on the District's financial statements is presented below. Management is currently evaluating the impact of adoption of these statements in the District's financial statements.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This Statement will provide key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This Statement is effective for the fiscal year ending September 30, 2026.

EAST BEACH WATER CONTROL DISTRICT
Notes to the Financial Statements
September 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (Continued)

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments. This Statement is effective for the fiscal year ending September 30, 2026.

In December 2025, the GASB issued Statement No. 105, *Subsequent Events*. The requirements of this Statement will improve financial reporting related to subsequent events by (1) clarifying the subsequent events time frame and the subsequent events that constitute recognized and nonrecognized events and (2) specifying the information items that are required to be disclosed about subsequent events. Those improvements will assist preparers and auditors in applying the requirements more consistently, thereby reducing diversity in practice and providing information that better meets the needs of financial statement users. This Statement is effective for the fiscal year ending September 30, 2027.

NOTE 2 – BUDGETARY INFORMATION

Budget Policy and Practice

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

1. During May, the District Manager submits to the Board of Supervisors a proposed operating budget for the upcoming fiscal year. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is held to obtain taxpayer comments.
3. During August, the budget is legally enacted through passage of a resolution.
4. Appropriations are legally controlled at the fund level and expenditures may not legally exceed budgeted appropriations at that level.
5. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles.
6. Total budgeted amounts reflect all amendments approved by the Board of Supervisors.

EAST BEACH WATER CONTROL DISTRICT
Notes to the Financial Statements
September 30, 2025

NOTE 3 – DEPOSITS AND INVESTMENTS

Deposits

Deposits are either covered by insurance provided by the Federal Depository Insurance Corporation or are held in banking institutions approved by the Treasurer of the State of Florida. Under Florida Statutes, Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or other banking institution eligible collateral. In the event of failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. The District's deposits at year end are considered insured for custodial credit risk purposes. As of September 30, 2025, the bank balance of the District's deposits was \$1,002 and the carrying amount was \$1,041. The District also had \$200 in petty cash for a total carrying amount of \$1,241.

Investments

The District has not adopted a written investment policy. Florida Statutes authorize units of local government electing not to adopt a written investment policy to invest in the following instruments:

- a. The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969.
- b. Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- c. Interest-bearing time deposits or savings accounts in qualified public depositories.
- d. Direct obligations of the U.S. Treasury.

The District participates in the Florida Fixed Income Trust – Cash Pool (“FLFIT”), an external investment pool. The FLFIT was established in accordance with Florida Statutes Section 163. The FLFIT is a Series Trust designed to provide liquid solutions to local governments of Florida. The fund's objective is to provide liquidity and preservation of capital while providing current income consistent with low volatility of net asset value. FLFIT funds can be redeemed on the next day basis. The fund does not meet the requirements of GASB Statement No. 79 and is measured at floating net asset value (NAV), which is fair value under GASB Statement No. 31.

GASB Statement No. 72, *Fair Value Measurement and Application*, requires governments to disclose the fair value hierarchy for each type of asset or liability measured at fair value in the notes to the financial statements. The standard also requires governments to disclose a description of the valuation techniques used in the fair value measurement and any significant changes in valuation techniques. GASB 72 establishes a three-tier fair value hierarchy. The level in which an asset is assigned is not indicative of its quality but an indication of the source of valuation inputs. The hierarchy is based on valuation inputs used to measure the fair value as follows:

EAST BEACH WATER CONTROL DISTRICT
Notes to the Financial Statements
September 30, 2025

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

- Level 1: Inputs are directly observable, quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs are other than quoted prices included within Level 1 that are for the asset or liability, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation or by other means.
- Level 3: Inputs are unobservable inputs used only when relevant Level 1 and Level 2 inputs are unavailable.

As of September 30, 2025, the District had the following investments:

	Fitch Rating	Weighted Average Maturity	Fair Value
Florida Fixed Income Trust – Cash Pool	AAAf/S1	85 days	\$ 360,163

The FLFIT is exempt from reporting under the fair value hierarchy. The fair value is measured at net asset value (NAV) and reported in accordance with GASB Statement No. 31.

Credit Risk

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The District’s investment policies limit its investments to high quality investments to control credit risk. The Florida Fixed Income Trust Cash Pool is rated AAAf/S1 by Fitch Rating.

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 does not have a formal investment policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. As of September 30, 2025, the weighted average maturity of the Florida Fixed Income Trust Cash Pool was 85 days.

EAST BEACH WATER CONTROL DISTRICT
Notes to the Financial Statements
September 30, 2025

NOTE 3 – DEPOSITS AND 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 its investments that are in the possession of an outside party. The investments in the Florida Fixed Income Trust Cash Pool are considered unclassified pursuant to the custodial credit risk categories of GASB pronouncements.

NOTE 4 – CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
Assets Not Being Depreciated				
Land	\$ 969,764	\$	\$	\$ 969,764
Total Assets Not Being Depreciated	969,764			969,764
Assets Being Depreciated				
Buildings	20,839			20,839
Improvement other than buildings	38,040			38,040
Machinery & equipment	475,883	2,420		478,303
Office furniture & fixtures	5,091			5,091
Vehicles	38,830	4,755	(1,923)	41,662
Assets Being Depreciated	578,683	7,175	(1,923)	583,935
Total Assets	1,548,447	7,175	(1,923)	1,553,699
Accumulated Depreciation				
Buildings	(7,544)	(1,103)		(8,647)
Leasehold improvements	(29,104)	(786)		(29,890)
Machinery & equipment	(368,127)	(12,837)		(380,964)
Office furniture & fixtures	(5,091)			(5,091)
Vehicles	(34,129)	(2,529)	1,923	(34,735)
Total Accumulated Depreciation	(443,995)	(17,255)	1,923	(459,327)
Assets Being Depreciated - Net	134,688	(10,080)		124,608
Total Capital Assets - Net	\$ 1,104,452	\$ (10,080)	\$	\$ 1,094,372

EAST BEACH WATER CONTROL DISTRICT
Notes to the Financial Statements
September 30, 2025

NOTE 4 – CAPITAL ASSETS (Continued)

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

Governmental activities:

Physical environment \$ 17,255

NOTE 5 – LONG-TERM LIABILITIES

During the year ended September 30, 2025, the following changes occurred in long-term liabilities:

Direct Borrowing	Restated (1) Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Loan Payable	\$ 3,711	\$	\$ (3,711)	\$	\$
Compensated Absences	9,579		(377)	9,202	8,132
	\$ 13,290	\$	\$ (4,088)	\$ 9,202	\$ 8,132

(1) Restated for the implementation of GASB Statement No. 101

The change in the compensated absences liability is presented as a net change. The liability for compensated absences was calculated under a first-in, first-out (FIFO) flow assumption.

2022 Tractor Loan

On February 1, 2022, the District entered into a loan agreement with the South Florida Conservancy District in the principal amount of \$14,729. Principal and interest payments on the loan are due in annual installments commencing on March 1, 2022. The loan pays interest at the rate of 0.40%. At September 30, 2025 the loan was paid in full. Principal and interest paid for the current fiscal year was \$3,726.

Interest Expense

The total interest cost incurred on the District's debt for the year ended September 30, 2025 was \$6, and the total interest paid during the year was \$15.

EAST BEACH WATER CONTROL DISTRICT
Notes to the Financial Statements
September 30, 2025

NOTE 6 – INTERLOCAL AGREEMENTS

Consolidation of Management

East Beach Water Control District has entered into an interlocal agreement with six other area water control districts to provide for the administration of the various districts' operations under the control of a District Manager. A central office and staff are maintained to operate the districts. Administrative and supervisory personnel costs, compensated absences, and general operating costs are paid by one of the districts, South Florida Conservancy District, and then allocated between the seven districts using agreed-upon percentages. Those districts and percentages are as follows: South Florida Conservancy - 41%; Pahokee Water Control - 14%; East Shore Water Control - 8%; Pelican Lake Water Control - 8%; East Beach Water Control - 11%; Clewiston Drainage - 10%; and South Shore Drainage - 8%. Other operating expenses are charged to the specific district to which they relate. All staff are considered employed by the South Florida Conservancy District.

Pahokee Housing Authority

On November 14, 1994, the District entered into an agreement with the Pahokee Housing Authority (the "Authority") for the Authority to utilize the works of the District for flood control and irrigation supply. The agreement shall be renewed annually unless terminated in writing by either party upon thirty (30) days written notice thereof to the other party. The Authority will pay the District an annual payment (Payment in Lieu of Taxes). The annual payment shall be equal to the sum on the acreage owned by the Authority times the normal rate levied against the acreage of the other landowners within the District. For the year ended September 30, 2025, the Authority paid the District \$3,390 pursuant to the Agreement.

Closter Farms

On May 23, 2016, the District entered into an agreement with Closter Farms, Inc. for the District to provide for the supply of water for irrigation of the Basin. The agreement shall remain in effect for the duration of the EBWCD WUP so long as Closter remains the tenant of 715 Farms and may be extended or transferred with the approval of EBWCD and Closter. Closter will pay the District \$10,000 annually for the provision of water to the Basin.

School Board of Palm Beach County

On September 19, 1986, the District and the School Board of Palm Beach County entered into an agreement that lands of the School Board within the District are exempt from maintenance assessments as long as lands remained undeveloped. The School Board has no obligations to pay any special assessments with the works of the District but has agreed and is willing to pay for actual costs directly attributable to the use or connections of the works of the District's system. For the year ended September 30, 2025, the School Board paid the District \$2,419 pursuant to the agreement.

EAST BEACH WATER CONTROL DISTRICT
Notes to the Financial Statements
September 30, 2025

NOTE 7 – 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; natural disasters; and workers' compensation for which the District is a member of the Public Risk Management of Florida (PRMF), a local government risk management pool as defined by Florida Statutes 163.01(3)(h). In the event of a loss, the District pays up to the deductible amount on the policy. All additional risk of loss has been transferred to PRMF up to the policy limits. Settlements have not exceeded coverages for each of the past three fiscal years. PRMF absorbs losses up to a specified amount annually and purchases excess and other specific coverages from third-party carriers. PRMF assesses each member its pro rata share of the estimated amount required to meet current year losses and operating expenses. If total member assessments do not produce sufficient funds to meet its current obligations, PRMF can make additional assessments.

Florida Statutes limit the District's maximum loss for most liability claims to \$200,000 per person and \$300,000 per occurrence under the Doctrine of Sovereign Immunity. However, under certain circumstances, a plaintiff can seek to recover damages in excess of statutory limits by introducing a claims bill to the Florida Legislature. The limits addressed in Florida Statutes do not apply to claims filed in Federal courts.

NOTE 8 – MAJOR CUSTOMERS

The District's primary source of revenue is assessments which are based on a per acre amount. Approximately 11% of the assessments are paid by the District's largest customer.

East Beach Water Control District
Required Supplementary Information (RSI)
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended September 30, 2025

	Original Adopted Budget	Final Revised Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Assessments	\$ 215,580	\$ 215,580	\$ 213,822	\$ (1,758)
Tax Discount	(8,623)	(8,623)	(5,663)	2,960
Drainage & Service Fees	5,840	5,840	5,809	(31)
Closter Farms	10,000	10,000	10,000	
Interest	2,500	2,500	19,193	16,693
Miscellaneous Revenues			1,393	1,393
Total revenues	<u>225,297</u>	<u>225,297</u>	<u>244,554</u>	<u>19,257</u>
Expenditures				
Personnel				
Regular Salaries & Wages	72,900	72,900	79,237	(6,337)
Overtime & Dive Pay	3,770	3,770	943	2,827
Annual/Sick/Holiday Leave	10,000	10,000	11,212	(1,212)
FRS Contributions	12,200	12,200	11,694	506
FICA & Medicare	6,100	6,100	6,542	(442)
Life & Health Insurance	19,530	19,530	18,018	1,512
Total Personnel	<u>124,500</u>	<u>124,500</u>	<u>127,646</u>	<u>(3,146)</u>
Contractual Services				
Accounting Services	4,000	4,000	4,000	
Legal Fees & Other Activities	5,000	5,000	4,739	261
Supervisor's Fees	250	250	50	200
Engineering Services & Permits	2,000	2,000	1,047	953
Water Quality Monitoring & Sampling	600	600	495	105
Annual Aerial Weed Control & Inspection	6,600	6,600	4,200	2,400
Computer & IT Services	4,870	4,870	3,519	1,351
Professional Services & Disposal Fee	6,200	6,200	6,614	(414)
Drainage & Other Service Fees	25	25	4	21
Total Contractual Services	<u>29,545</u>	<u>29,545</u>	<u>24,668</u>	<u>4,877</u>

(Continued)

See notes to the budgetary comparison schedule

East Beach Water Control District
Required Supplementary Information (RSI)
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended September 30, 2025
(Continued)

	Original Adopted Budget	Final Revised Budget	Actual	Variance With Final Budget Positive (Negative)
Expenditures				
Operating				
Tax Roll Prep Fee & Commissions	\$ 2,570	\$ 2,570	\$ 2,072	\$ 498
Communications - Internet Service	1,330	1,330	1,103	227
Utilities	3,750	3,750	3,375	375
Insurance	10,060	10,060	10,573	(513)
Office Supplies & Other Expenses	3,996	3,996	2,565	1,431
Equipment & Misc. Rental	200	200	14	186
Repair & Maintenance - Pump Stations	10,000	10,000	3,340	6,660
Repair & Maintenance - Vehicles & Other	4,200	4,200	4,660	(460)
Repair & Maintenance - Canals/ Laterals	2,000	2,000	2,959	(959)
Repair & Maintenance - Structures	1,000	1,000	15	985
Repair & Maintenance - Office & Shops	500	500	314	186
Safety Equipment & Tools	750	751	471	280
Educational Training/ Seminars/ Memberships	975	974	902	72
FEMA & Misc. Operating Expenses	1,556	1,556	798	758
Fuel Vehicles/ Tractors/Misc.	7,000	7,000	6,126	874
Fuel Pump Stations	43,796	43,796	12,878	30,918
Total Operating	<u>93,683</u>	<u>93,683</u>	<u>52,165</u>	<u>41,518</u>
Capital Outlay	21,032	21,032	7,175	13,857
Total Capital Outlay	<u>21,032</u>	<u>21,032</u>	<u>7,175</u>	<u>13,857</u>
Debt Service				
Principal			3,711	(3,711)
Interest	4	4	15	(11)
Total Debt Service	<u>4</u>	<u>4</u>	<u>3,726</u>	<u>(3,722)</u>
Total expenditures	<u>268,764</u>	<u>268,764</u>	<u>215,380</u>	<u>53,384</u>
Net change in fund balance	<u>\$ (43,467)</u>	<u>\$ (43,467)</u>	29,174	<u>\$ 72,641</u>
Fund balance, beginning of year			<u>321,713</u>	
Fund balance, end of year			<u>\$ 350,887</u>	

See notes to the budgetary comparison schedule

East Beach Water Control District
Notes to the Budgetary Comparison Schedule
Required Supplementary Information (RSI)
General Fund
September 30, 2025

Note 1 - Budgets and Budgetary Accounting

Florida Statutes require all local governments to establish budgetary systems and adopt balanced annual operating budgets. The procedures for establishing budgetary data are as follows:

- (a) During May the District Manager submits a proposed operating budget to the Board of Supervisors for the next fiscal year commencing the following October 1st.
- (b) Public hearings are held to obtain taxpayer comments.
- (c) During August the budget is legally adopted by the Board of Commissioners.
- (d) Appropriations are legally controlled at the fund level and expenditures may not legally exceed budgeted appropriations at that level.
- (e) The budget is adopted on a basis consistent with generally accepted accounting principles.
- (f) Changes or amendments to the budget must be approved by the Board of Commissioners.

There were no budget amendments for the current fiscal year.

Note 2 - Stewardship, Compliance, and Accountability

Formal budgetary integration is employed within the accounting system as a management control device. For the year ended September 30, 2025, General Fund expenditures did not exceed appropriations.

East Beach Water Control District
Other Information-Information Required by Section 218.39(3)(c), Florida Statutes
and Section 10.554(1)(i)7-9, Rules of the Auditor General
For the Fiscal Year Ended September 30, 2025
Unaudited

As required by Section 218.39(3)(c), Florida Statutes and Section 10.554(1)(i)7-9, Rules of the Auditor General, the District reported:

Required Information	Reported
The total number of district employees compensated in the last pay period of the District's fiscal year 2025:	13
The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year 2025:	0
All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency for fiscal year 2025:	\$ 91,392
All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency for fiscal year 2025:	\$ -
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 2025, together with the total expenditures for such project:	N/A
A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year 2025 being reported if the District amends a final adopted budget under Section 189.016(6), Florida	See pages 33 - 34
The rate or rates of non-ad valorem special assessments imposed by the District for fiscal year 2025:	\$30/Acre
The total amount of special assessments collected by or on behalf of the District for fiscal year 2025:	\$ 208,159
The total amount of outstanding bonds issued by the district and the terms of such bonds:	N/A



NOWLEN, HOLT & MINER, P.A.

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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*

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Board of Supervisors
East Beach Water Control District
Belle Glade, 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 the East Beach Water Control District, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the East Beach Water Control District's basic financial statements and have issued our report thereon dated February 9, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the East Beach Water Control 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the East Beach Water Control District's internal control. Accordingly, we do not express an opinion on the effectiveness of the East Beach Water Control 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 East Beach 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 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.

Nowlen, Holt & Mimer, P.A.

West Palm Beach, Florida
February 9, 2026



NOWLEN, HOLT & MINER, P.A.

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MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

MARK J. BYMASTER, CFE, CPA
RYAN M. SHORE, CFP®, CPA
WILLIAM C. KISKER, CPA
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Board of Supervisors
East Beach Water Control District
Belle Glade, Florida

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Report on the Financial Statements

We have audited the financial statements of the East Beach Water Control District, as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated February 9, 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 Accountant'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 February 9, 2026, should be considered in conjunction with this Management Letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this Management Letter, unless disclosed in the notes to the financial statements. This information was disclosed in Note 1 to the financial statements. There are no component units included in the East Beach Water Control District's financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the East Beach Water Control District met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the East Beach Water Control 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. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the East Beach Water Control District. It is management's responsibility to monitor the East Beach Water Control District's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. Our assessment was done as of the fiscal year end. The results of our procedures did not disclose any matters that are required to be reported.

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

Special District Component Units

Section 10.554(1)(i)5.c, Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has occurred, or are likely to have occurred, that has an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7-9, Rules of the Auditor General, the East Beach Water Control District reported the required information in the other information section on page 36.

Single Audits

The East Beach Water Control District expended less than \$1,000,000 of federal awards and less than \$750,000 of state financial assistance for the fiscal year ended September 30, 2025 and was not required to have a federal single audit or a state single audit.

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, the Board of Supervisors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Nowlen, Holt & Mimes, P.A.

West Palm Beach, Florida
February 9, 2026



NOWLEN, HOLT & MINER, P.A.

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

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WILLIAM C. KISKER, CPA
NANCY V. SALIB, CPA

Board of Supervisors
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We have examined the East Beach Water Control District’s compliance with Section 218.415, Florida Statutes during the year ended September 30, 2025. Management of the East Beach Water Control District is responsible for the East Beach Water Control District’s compliance with the specified requirements. Our responsibility is to express an opinion on the East Beach Water Control District’s compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the East Beach Water Control District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the East Beach Water Control District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, 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.

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

Our examination does not provide a legal determination on the East Beach Water Control District’s compliance with the specified requirements.

In our opinion, the East Beach Water Control District complied, in all material respects, with Section 218.415, Florida Statutes for the 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 Florida House of Representatives, the Florida Auditor General, applicable management, and the Board of Supervisors, and is not intended to be and should not be used by anyone other than these specified parties.

Nowlen, Holt & Miner, P.A.

West Palm Beach, Florida
February 9, 2026