

FINANCIAL STATEMENTS
Lake County Water Authority
Year Ended September 30, 2024
with Independent Auditor's Report

**LAKE COUNTY WATER AUTHORITY
PRINCIPAL OFFICIALS
SEPTEMBER 30, 2024**

Marty Proctor	Board Member-District 1
Trampis Bonjorn	Board Member-District 2
Kristan Zenishek, Vice-Chair	Board Member-District 3
Robert “Butch” Hendrick, Chairman	Board Member-District 4
Richard Donahue	Board Member-District 5
Gary J. Cooney	Secretary-Treasurer
Bobby Bonilla	Executive Director

LAKE COUNTY WATER AUTHORITY
SEPTEMBER 30, 2024

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LAKE COUNTY WATER AUTHORITY
SEPTEMBER 30, 2024

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AUDITING STANDARDS*

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Independent Auditor's Report

To the Governing Board of the
Lake County Water Authority
Tavares, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and major fund (General Fund) of Lake County Water Authority (the "Authority"), a component unity of Lake County, Florida, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and General Fund of the Authority as of September 30, 2024, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 Authority, 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 opinion.

Responsibilities of Management 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, 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 Authority's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS 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 Authority'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 Authority'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 that audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison 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 GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements as a whole. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such 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. The 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 GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 7, 2025, on our consideration of the Authority'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 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 the Authority's internal control over financial reporting and compliance.

Forvis Mazars, LLP

**Orlando, Florida
April 7, 2025**

Management's Discussion and Analysis

As management of the Lake County Water Authority (the Authority) we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended September 30, 2024. This discussion has been prepared by management and should be read in conjunction with the financial statements, which follow this section.

Financial Highlights

In 2022, the Florida Legislature passed House Bill 1105. The Board of Lake County Commissioners adopted Ordinances which made several changes to the organizational structure of the Authority namely changing it from an Independent Special District to a Dependent Special District of Lake County and creating a 5 member appointed Board.

The Authority's assets exceeded its liabilities at September 30, 2024 by \$ 45,791,381 (net position). Of this amount, \$ 19,212,280 (unrestricted net position) may be used to meet the organization's ongoing obligations to its customers and creditors.

The Authority's total net position increased \$ 3,517,069 as a result of current year operations.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The basic financial statements consist of three parts: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also includes supplementary information that explains in more detail some of the information in the financial statements. The Authority is also considered a discretely-presented component unit of Lake County and certain information is included in the County Annual Comprehensive Financial Report.

Government-Wide Financial Statements

The government-wide financial statements of the Authority provide a broad overview of the Authority's finances and report information about the Authority using accounting methods similar to those used by private sector companies.

The Statement of Net Position presents the Authority's assets less its liabilities at year end. The difference between these amounts is 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 Authority is changing.

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

The government-wide financial statements can be found on pages 9 and 10 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 Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority has only one fund, the General Fund, which is a governmental fund type.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, these funds 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. As a result of this difference in focus, a reconciliation is provided in the notes to the financial statements between the fund and government-wide statements.

The basic governmental fund financial statement can also be found on pages 9 and 10 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 beginning on page 15 of this report.

Government-Wide Financial Analysis

Our analysis of the government-wide financial statements of the Authority begins below. The Statement of Net Position and the Statement of Activities report the net position of the Authority and changes in them. Over time, increases or decreases in the Authority's net position are one indicator of financial position. However, you will need to consider other non-financial factors such as changes in economic conditions, regulations, and new or changed government legislation.

Lake County Water Authority Net Position

	<u>2024</u>	<u>2023</u>
Current and other assets	\$ 19,937,554	\$ 19,180,405
Capital assets, net	26,579,101	24,856,776
Total assets	<u>46,516,655</u>	<u>44,037,181</u>
Deferred outflow	<u>-</u>	<u>234,824</u>
Current liabilities	725,274	704,565
Long-term liabilities	-	1,007,938
Total liabilities	<u>725,274</u>	<u>1,712,503</u>
Deferred inflows	<u>-</u>	<u>285,190</u>
Invested in capital assets	26,579,101	24,856,776
Unrestricted	19,212,280	17,417,536
Total net position	<u>\$ 45,791,381</u>	<u>\$ 42,274,312</u>

Assets of the Authority consist primarily of cash of \$ 18,972,884 and capital assets, net of accumulated depreciation of \$ 26,579,101.

Current liabilities of \$ 725,274 consist primarily of accounts payable and other current liabilities.

Net position amounted to \$ 45,791,381 in fiscal year 2024. The major component of this category is the category “Invested in capital assets”, which is the Authority’s investment in its net capital assets (original cost less accumulated depreciation), totaling \$ 26,579,101.

While the statement of net position shows the change in financial position of net position, the statement of activities provides answers as to the nature and source of these changes.

Lake County Water Authority Statement of Activities

	2024	2023
Revenues	\$ 12,462,191	\$ 10,003,233
Expenses:		
Current	8,308,965	7,638,293
Depreciation	636,157	614,762
Total expenses	8,945,122	8,253,055
Change in net position	3,517,069	1,750,178
Beginning net position	42,274,312	40,524,134
Ending net position	\$ 45,791,381	\$ 42,274,312

Revenues consist primarily of ad valorem taxes, which were \$ 9,962,526 in 2024. Revenues also include federal and state grants of \$ 1,288,936 in addition to reimbursements for Hurricane Nicole from federal and state sources of \$ 282,580. Other revenues include interest of \$ 855,911, charges for services of \$ 25,083, and miscellaneous revenue of \$ 47,155.

Current expenses consist of general operating expenses of \$ 8,361,343 and grants of \$ 442,115 for water quality, waterway improvement and education. Grants include \$ 285,739 for the City of Mount Dora Stormwater Project at Liberty Avenue, \$ 86,705 toward the City of Leesburg Benton Pond Stormwater Project, \$ 9,535 for the Florida Fish and Wildlife Conservation Commission (FWC) Lakes Dora/Beauclair, and Clermont Chain Creel Surveys, and \$ 60,000 to Trout Lake Nature Center for promoting environmental education. Expenses also include \$ 60,606 in personal services, which include compensation, related taxes, and fringe benefits paid to Board Members during fiscal year 2024.

Analysis of Lake County Water Authority General Fund

The Authority has one fund, the general fund, which is reported in the Fund Financial Statements. The focus of the general fund is to provide information on near-term inflows and outflows of cash and the balance available. The fund balance was \$ 19,212,280 at September 30, 2024 compared to \$ 18,475,840 at the end of the prior year. Assigned fund balance at September 30, 2024 of \$ 6,177,412 included \$ 2,507,534 in grants for water quality improvement, and \$ 996,502 for construction of the Hickory Point Recreational Park Boat Ramp and Accessory Docks project. The remaining fund balance of \$ 13,034,868 is classified as unassigned.

The following is a comparison of operations from 2024 to 2023 at the fund level:

	Year Ended Sept. 20, 2024	Year Ended Sept. 30, 2023	Variance Increase (Decrease)
Revenues:			
Taxes	\$ 9,962,526	\$ 9,117,848	\$ 844,678
Intergovernmental revenue	1,571,516	166,011	1,405,505
Charges for services	25,083	17,203	7,880
Investment and miscellaneous income	873,066	738,565	134,501
Total revenues	<u>12,432,191</u>	<u>10,039,627</u>	<u>2,392,564</u>
Expenditures:			
Personal services	69,606	1,156,604	(1,086,998)
Operating and grants	9,297,663	6,549,850	2,747,813
Capital outlay	2,328,482	621,168	1,707,314
Total expenditures	<u>11,695,751</u>	<u>8,327,622</u>	<u>3,368,129</u>
Excess of revenues over (under) expenditures	736,440	1,712,005	(975,565)
Fund balance beginning of year	18,475,840	16,763,835	1,712,005
Fund balance end of year	<u>\$ 19,212,280</u>	<u>\$ 18,475,840</u>	<u>\$ 736,440</u>

Taxes increased in 2024 primarily due to increased property values. Intergovernmental revenue increased due to State and Federal grants for the NuRF facility and Hickory Point boat docks. Miscellaneous income increased due to higher earnings on cash balances. Personal services decreased due to the Authority transitioning these services to the Lake County Board of County Commissioners (BCC). Operating expenses increased due to larger current year expenditures on land management, and contractual services provided to the Authority by the BCC. Capital outlay increased due to the Pine Meadows land acquisition and Hickory Point boat ramps.

General Fund Budgetary Highlights

Expenditures – Physical environment expenditures were below final budget by approximately \$14.7 million of which operating expenses were below budget by approximately \$ 9.0 million due lower than anticipated costs for contractual services, lower than expected use of alum, and projects not completed.

Capital Assets

Capital Assets - As of September 30, 2024, the Authority had \$ 26,579,101 of net capital assets invested primarily in land and improvements, as reflected in the table below.

	<u>2024</u>	<u>2023</u>
Land and improvements	\$ 20,682,229	\$ 19,732,052
Structures	7,945,313	7,945,313
Equipment	4,006,929	3,949,470
Infrastructure	2,272,829	2,167,942
Construction work in progress	1,212,866	-
Total capital assets	<u>36,120,166</u>	<u>33,794,777</u>
Accumulated depreciation	(9,541,065)	(8,938,001)
Net capital assets	<u>\$ 26,579,101</u>	<u>\$ 24,856,776</u>

Capital assets consist of land and land improvements, a nutrient reduction facility, water control structures, buildings, vehicles and equipment used by the organization in its daily operations.

The Authority purchased approximately \$2,328,482 of land, equipment, infrastructure and construction work in progress. The land purchase included property to the east of Pine Meadows Conservation Area. The infrastructure included ADA sidewalk improvements at Hickory Point park. The equipment included a pontoon boat with trailer, and a chemical analyzer. Steel storage containers and new picnic tables were placed at Hickory Point park.

Economic Factors and Next Year's Budget and Rates

1. The average unemployment rate for Lake County area is 3.8%. This is compared to the 3.3% for the state and 4.1% for the nation.
2. At September 30, 2024 inflation nationally, as indicated by the consumer price index, was 2.4 %.

All of these factors were considered in preparing the Authority budget for the 2024-2025 year. On September 24, 2024 the Lake County Board of County Commissioners approved Resolution 2024-131 for the Authority's Final Budget. The 2025 budget of \$ 40,115,725 includes a millage rate of 0.2940 which is above the rolled-back rate.

Requests for Information - This financial report is designed to provide a general overview of the Authority's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Office of the Clerk of the Circuit Court and Comptroller, 315 West Main Street, Post Office Box 7800, Tavares, Florida, 32778, (352) 343-9808.

**LAKE COUNTY WATER AUTHORITY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024**

	Primary Government
	Governmental Activities
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 18,972,884
Accounts receivable	178,595
Due from other governmental units	786,075
Total Current Assets	19,937,554
Noncurrent Assets:	
Capital assets	
Land and other nondepreciable assets	19,287,808
Depreciable capital assets, net of accumulated depreciation	7,291,293
Total Noncurrent Assets	26,579,101
TOTAL ASSETS	46,516,655
LIABILITIES	
Current Liabilities:	
Accounts payable and other current liabilities	720,814
Deposits	4,460
Total Current Liabilities	725,274
TOTAL LIABILITIES	725,274
NET POSITION	
Net investment in capital assets	26,579,101
Unrestricted	19,212,280
TOTAL NET POSITION	\$ 45,791,381

The notes to the financial statements are an integral part of this statement.

**LAKE COUNTY WATER AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

<u>Functions/Programs</u>	Program Revenues				<u>Primary Government Governmental Activities</u>
	<u>Expenses</u>	<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Primary government:					
Governmental activities:					
General government	\$ 896,278	\$ -	\$ 282,580	\$ -	\$ (613,698)
Physical environment	6,820,662	-	687,121	601,815	(5,531,726)
Culture and recreation	1,000,413	25,083	-	-	(975,330)
Education	227,769	-	-	-	(227,769)
Total governmental activities:	8,945,122	25,083	969,701	601,815	(7,348,523)
Total primary government	\$ 8,945,122	\$ 25,083	\$ 969,701	\$ 601,815	(7,348,523)
General revenues:					
Property taxes					\$ 9,962,526
Unrestricted investment earnings					855,911
Other miscellaneous					47,155
Total general revenues					10,865,592
Change in net position					3,517,069
Net position - beginning					42,274,312
Net position - ending					\$ 45,791,381

The notes to the financial statements are an integral part of this statement.

**LAKE COUNTY WATER AUTHORITY
BALANCE SHEET
GOVERNMENTAL FUND
SEPTEMBER 30, 2024**

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 18,972,884
Accounts receivable	178,595
Due from other governmental units	786,075
TOTAL ASSETS	<u>\$ 19,937,554</u>
 LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 720,814
Deposits	4,460
TOTAL LIABILITIES	<u>725,274</u>
Fund balances:	
Assigned	6,177,412
Unassigned	13,034,868
TOTAL FUND BALANCES	<u>19,212,280</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 19,937,554</u>

The notes to the financial statements are an integral part of this statement.

**LAKE COUNTY WATER AUTHORITY
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2024**

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

Fund balances - total governmental funds	\$ 19,212,280
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. This is the amount of capital assets of \$36,120,166, net of accumulated depreciation of \$9,541,065.	<u>26,579,101</u>
Net position of governmental activities	<u>\$ 45,791,381</u>

The notes to the financial statements are an integral part of this statement.

**LAKE COUNTY WATER AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	General Fund
Revenues:	
Taxes	\$ 9,962,526
Intergovernmental	1,571,516
Charges for services	25,083
Miscellaneous:	
Interest	855,911
Other	17,155
Total Revenues	12,432,191
Expenditures:	
Current:	
General Government	1,482,174
Physical Environment	6,730,851
Culture and Recreation	926,475
Education	227,769
Capital Outlay	2,328,482
Total Expenditures	11,695,751
Excess of Revenues Over (Under) Expenditures/Net Change in Fund Balances	736,440
Fund Balance at Beginning of Year	18,475,840
Fund Balance at End of Year	\$ 19,212,280

The notes to the financial statements are an integral part of this statement.

**LAKE COUNTY WATER AUTHORITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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

Net change in fund balances - total governmental funds	\$ 736,440
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. This is the amount by which capital outlay of \$2,328,482 was more than depreciation of \$636,157.	1,692,325
The net effect of miscellaneous transactions involving capital assets (i.e. sales and trade-ins) is to increase net position.	30,000
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 including the decrease in net pension liability and related deferred outflows and inflows of \$1,058,304.	<u>1,058,304</u>
Changes in net position of governmental activities	<u><u>\$ 3,517,069</u></u>

The notes to the financial statements are an integral part of this statement.

**LAKE COUNTY WATER AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS**

1. Significant Accounting Policies:

- A. Reporting Entity - The Lake County Water Authority (f/k/a Oklawaha Basin Recreation and Water Conservation and Control Authority) was created by Chapter 29222, Laws of Florida, Special Acts of 1953, as amended, and was codified pursuant to Section 189.429, Florida Statutes, in Chapter 2005-314 Laws of Florida, as amended by Chapter 2017-218. Pursuant to HB 1105, Chapters 2005-314 and 2017-218 will be codified by Lake County, Florida; this was adopted by County Ordinance No. 2022-31, as amended by Ordinances 2022-37 and 38, which changed the Authority from an Independent Special District to a Dependent Special District that is now considered a component unit of Lake County, Florida. The Authority is comprised of a five member appointed Board with statutory authority to assess no more than .5 mills in ad valorem taxes.

The Authority is a special taxing district extending territorially throughout the present limits of Lake County, Florida; “for the purposes of controlling and conserving the freshwater resources of Lake County; fostering improvements to streams, lakes, and canals in the county; improving the fish and aquatic wildlife of the county by improving the streams, lakes, and canals in the county; and protecting the freshwater resources of Lake County through assisting local governments in treating of stormwater runoff.” The principal powers are those of a corporate body, including the power to do things necessary to accomplish this purpose as set forth in the Statutes, as amended.

- B. Measurement focus, basis of accounting, and financial statement presentation - The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on the primary government. 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 charges to customers or grants that are restricted to meeting the operation or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues. Separate fund financial statements are provided for the governmental fund.

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. Property taxes are recognized as received as they are levied and received in the same fiscal year. Grants are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All grants of the Authority were classified as operating for the statement of activities.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they become measurable and available. Revenues are considered to be available when

LAKE COUNTY WATER AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority generally considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The Authority reports the general fund as its only major governmental fund. The general fund is the Authority's primary operating fund. This fund accounts for all financial resources of the general government.

C. Budget and Budgetary Accounting - The Authority followed the following procedures in establishing the budgetary data for fiscal year 2024, reflected in the financial statements:

- 1) The assessment date is January 1.
- 2) On approximately July 1, the county property appraiser certifies the tax roll.
- 3) The Board shall by resolution determine the total amount to be raised by taxation in such year upon the taxable property within the Authority and shall determine the millage rate required, not to exceed .5 mills. The director submits a proposed operating budget to the Authority's Board for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- 4) A series of two public hearings are held between 65 and 100 days following the certification of the tax roll.
- 5) Prior to October 1, the budget is legally enacted through adoption by the Board, and the Lake County Board of County Commissioners. All revisions of the budget require approval by the Board.
- 6) The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgetary comparisons presented in this report are on this budgetary basis.

The legal level of budgetary control is the major object level. The original budget is adopted before final audited beginning fund balance is available, resulting in differences between the beginning fund balance for the original and the final budget presentation in the governmental fund.

D. Assets, Liabilities, and Fund Equity

- 1) Deposits - State statute allows public deposits only at qualified public depositories that have deposited required collateral in the name of the Treasurer of the State of Florida under the Florida Security for Deposits Act. All deposits are entirely insured by the Federal Deposit Insurance Corporation or Florida's Multiple Financial Institution Collateral Pool.
- 2) *Investments* – Pursuant to Florida Statutes, the Authority is authorized to invest in:
The Local Government Surplus Funds Trust Fund, (commonly referred to as the SBA) administered by the Florida State Board of Administration or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in s. 163.01.

**LAKE COUNTY WATER AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS**

Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

Interest-bearing time deposits or savings accounts in qualified public depositories, as defined in s. 280.02.

Direct obligations of the U.S. Treasury.

- 3) *Capital Assets* - Capital assets, which include land and improvements, structures, equipment, and infrastructure are reported in the applicable government-wide financial statements. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$ 5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, structures and equipment of the government are depreciated using the straight line method over the following estimated useful lives:

Land improvements	20 years
Structures	20-40 years
Vehicles/computer equipment	5 years
Office equipment	10 years
Heavy equipment	10-20 years
Infrastructure	20 years

- 4) *Fund Balance and Net Position* –

Restrictions of fund balance represent amounts that are imposed by an external party to be held by the Authority. These restrictions can only be lifted with the consent of the external party.

Assignments of fund balance represent the Authority board’s intent to complete projects in the future with expenditures of funds under signed agreements or tentative management plans. These designations are not restricted by outside third parties.

Unassigned fund balance represents funds that are remaining after restrictions and assignments and that are accessible to the Authority for its operations. When determining the classification of fund balance, the Authority considers that restricted funds and assigned funds are used before using unassigned funds.

Net investment in capital assets represents that portion of net position that is associated with capital assets and is, therefore, not available for general operations.

**LAKE COUNTY WATER AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS**

E. Revenues and Expenditures -

Taxes - The key dates in the property tax cycle (latest date where appropriate) are as follows:

Assessment date	January 1
Assessment roll validated	July 1
Millage resolution approved	By September 30
Beginning of fiscal year for which taxes have been levied	October 1
Tax bills rendered and due	November 1
Property Taxes Payable:	
Maximum discount	November 30
Delinquent	April 1
Tax certificates sold	May 31

For fiscal year 2024 the statutory maximum tax rate which may be assessed by the Authority for ad valorem millage is .5 mills.

F. Use of Estimates –

The management of the Authority has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with GAAP. Examples of major areas where estimates are used include the estimate of useful lives of capital assets, and the liability for pension benefits.

2. Cash and Cash Equivalents:

At September 30, 2024 the Authority had cash and cash equivalents of \$ 1,842,691 in checking and money market accounts, and \$ 17,130,193 in a savings account.

**LAKE COUNTY WATER AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS**

3. Capital Assets:

Capital asset activity for the year ended September 30, 2024 was as follows:

	Balances - Oct. 1, 2023	Increases	Decreases	Balances - Sept. 30, 2024
Land	\$ 17,124,765	\$ 950,177	\$ -	\$ 18,074,942
Construction work in progress	-	1,212,866	-	1,212,866
Total assets not being depreciated	<u>17,124,765</u>	<u>2,163,043</u>	<u>-</u>	<u>19,287,808</u>
Land Improvements	2,607,287	-	-	2,607,287
Structures	7,945,313	-	-	7,945,313
Equipment and vehicles	1,411,908	90,552	(33,093)	1,469,367
Heavy equipment	2,537,562	-	-	2,537,562
Infrastructure	2,167,942	104,887	-	2,272,829
Total assets being depreciated	<u>16,670,012</u>	<u>195,439</u>	<u>(33,093)</u>	<u>16,832,358</u>
Less accumulated depreciation for:				
Land improvements	(1,895,251)	(49,639)	-	(1,944,890)
Structures	(3,609,446)	(184,820)	-	(3,794,266)
Equipment and vehicles	(969,387)	(118,584)	33,093	(1,054,878)
Heavy equipment	(1,465,850)	(149,646)	-	(1,615,496)
Infrastructure	(998,067)	(133,468)	-	(1,131,535)
Total accumulated depreciation	<u>(8,938,001)</u>	<u>(636,157)</u>	<u>33,093</u>	<u>(9,541,065)</u>
Governmental activities, capital assets, net	<u><u>\$ 24,856,776</u></u>	<u><u>\$ 1,722,325</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 26,579,101</u></u>

Depreciation expense was \$ 636,157. Of this amount, \$ 52,367 was general government; \$ 509,852 was physical environment; and \$ 73,938 was culture and recreation.

4. Risk Management:

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. Significant losses for liability is covered through participation in a local government non-assessable self-insurance pool. For these insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years. The Authority is self-insured for property damage with the exception of the nutrient reduction facility and office building.

**LAKE COUNTY WATER AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS**

5. Other Matters

The Authority is allowed to expend up to 3.5 percent of its ad valorem revenues providing educational information or guidance to the public about all aspects of our water resources. The allowable amount was \$ 348,688. The actual expended amount was \$ 228,889.

**LAKE COUNTY WATER AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 10,328,845	\$ 10,328,845	\$ 9,962,526	\$ (366,319)
Intergovernmental	2,350,000	2,350,000	1,571,516	(778,484)
Charges for services	10,000	10,000	25,083	15,083
Miscellaneous:				
Interest	150,000	150,000	855,911	705,911
Other	-	-	17,155	17,155
Total Revenues	12,838,845	12,838,845	12,432,191	(406,654)
Expenditures:				
Current:				
General Government - Financial and Administrative				
Personal services	73,665	73,665	69,606	4,059
Operating expenses	878,660	907,512	848,758	58,754
Capital outlay	-	7,480	-	7,480
Grants and aid	600,216	600,216	563,810	36,406
Total General Government	1,552,541	1,588,873	1,482,174	106,699
Physical Environment - Conservation and Resource Management				
Operating expenses	13,898,512	15,320,356	6,348,872	8,971,484
Capital outlay	5,694,667	4,551,897	2,252,475	2,299,422
Grants and aids	2,339,000	3,808,447	381,979	3,426,468
Total Physical Environment	21,932,179	23,680,700	8,983,326	14,697,374
Culture and Recreation - Parks and Recreation				
Operating expenses	809,242	1,029,717	926,475	103,242
Capital outlay	500,000	196,087	74,887	121,200
Total Culture and Recreation	1,309,242	1,225,804	1,001,362	224,442
Education:				
Operating expenses	189,451	223,703	167,633	56,070
Capital outlay	-	1,120	1,120	-
Grants and aids	66,500	66,500	60,136	6,364
Total Education	255,951	291,323	228,889	62,434
Total Expenditures	25,049,913	26,786,700	11,695,751	15,090,949
Excess of Revenues Over (Under) Expenditures	(12,211,068)	(13,947,855)	736,440	14,684,295
Other Financing Sources (Uses)				
Reserve for Contingencies	(11,198,660)	(4,527,985)	-	4,527,985
Total Other Financing Sources (Uses)	(11,198,660)	(4,527,985)	-	4,527,985
Net Change in Fund Balances	(23,409,728)	(18,475,840)	736,440	19,192,280
Fund Balance - Beginning of Year	23,409,728	18,475,840	18,475,840	-
Fund Balance - Ending of Year	\$ -	\$ -	\$ 19,212,280	\$ 19,192,280

LAKE COUNTY WATER AUTHORITY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2024

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>ALN</u>	<u>Pass-Through / State Contract Number</u>	<u>Passed Through to Subrecipients</u>	<u>(Thru 9/30/2024) Total Expenditures</u>
Clustered				
Fish and Wildlife Cluster				
United States Department of the Interior:				
<i>Passed through,</i>				
<i>Florida Fish and Wildlife Conservation Commission</i>				
Sport Fish Restoration	15.605	FWC #22171	\$ -	\$ 601,815
Total Fish and Wildlife Cluster			-	601,815
Non-Clustered				
United States Department of Homeland Security:				
<i>Passed through,</i>				
<i>Florida Division of Emergency Management</i>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Hurricane Nicole	-	242,211
Total Expenditures of Federal Awards			<u>\$ -</u>	<u>\$ 844,026</u>

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Lake County Water Authority

Notes to Schedule of Expenditures of Federal Awards Year Ended September 30, 2024

1. Summary of Significant Accounting Policies

General

The Schedule of Expenditures of Federal Awards has been prepared using the modified accrual basis of accounting. The modified accrual basis of accounting recognizes revenues when they become measurable and available and expenditures generally when a liability is incurred.

2. Contingency

The grant revenue amounts received are subject to audit and adjustment. If any expenditures are disallowed by the grantor agencies as a result of such an audit, any claim for reimbursement by the grantor agencies would become a liability of the Authority. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal laws and regulations.

3. Indirect Cost

The Authority did not elect to use the 10 percent de minimis indirect cost rate for any of its Federal Programs.

4. Prior Period Expenditures

The recognition of amounts for financial statement presentation may differ from guidance regarding the inclusion of amounts on the Schedule of Expenditures of Federal Awards; therefore some amounts presented are related to prior years.

Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance

Independent Auditor's Report

To the Governing Board of the
Lake County Water Authority
Tavares, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Lake County Water Authority's (the "Authority") compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the requirements described in the Department of Financial Services State Projects *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion for Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*) and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies may exist that have not been identified.

To the Governing Board of the
Lake County Water Authority

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Forvis Mazars, LLP

**Orlando, Florida
April 7, 2025**

Lake County Water Authority
Schedule of Findings and Questioned Costs
September 30, 2024

Section I – Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified Qualified Adverse Disclaimer

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

Noncompliance material to the financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

Type of auditor’s report issued on compliance for major federal program(s):

(Check each description that applies. If any other than unmodified apply, also list the name of each major program by the type of opinion applicable to that program or project.)

Unmodified Qualified Adverse Disclaimer

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major federal programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
15.605	Sport Fish Restoration

Dollar threshold used to distinguish between Type A and Type B programs:

Federal \$750,000

Auditee qualified as a low-risk auditee? Yes No

Section II – Financial Statement Findings

No matters are reported.

Section III – Federal Award Findings and Questioned Costs

No matters are reported.

Section IV – Prior Year Audit Findings

No matters are reported.

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*

Independent Auditor's Report

To the Governing Board of the
Lake County Water Authority
Tavares, 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 (*Government Auditing Standards*), the financial statements of the governmental activities and the major fund (General Fund) of the Lake County Water Authority (the "Authority") as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated April 7, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority'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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 Authority'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 over financial reporting 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 have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, grant agreements and contracts, 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*.

We noted certain matters that we reported to management of the Authority in a separate letter dated April 7, 2025.

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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Forvis Mazars, LLP

**Orlando, Florida
April 7, 2025**

Independent Auditor's Management Letter

To the Governing Board of the
Lake County Water Authority
Tavares, Florida

Report on the Financial Statements

We have audited the basic financial statements of the Lake County Water Authority (the "Authority") as of and for the year ended September 30, 2024, and have issued our report thereon dated April 7, 2025.

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; Title 2 *U.S. Code of Federal Regulations, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have also issued our 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*; Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance; Schedule of Findings and Questioned Costs; 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 and schedule, which are dated April 7, 2025, 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 annual financial audit report. In connection with the preceding audit, there were no findings or recommendations.

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. The legal authority is disclosed in the notes to the financial statements.

To the Governing Board of the
Lake County Water Authority

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)8, *Rules of the Auditor General*, the Authority reported:

- a. The millage rate or rates imposed by the Authority as 0.2940.
- b. The total amount of ad valorem taxes collected by or on behalf of the Authority as \$9,962,526.
- c. The total amount of outstanding bonds issued by the Authority and the terms of such bonds as \$0.

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 abuse, that have occurred, or are likely to have occurred, that have 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 have any such findings.

Purpose of this Letter

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 members, and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.

Forvis Mazars, LLP

**Orlando, Florida
April 7, 2025**

Independent Accountant's Report

To the Governing Board of the
Lake County Water Authority
Tavares, Florida

We have examined the Lake County Water Authority's (the "Authority") compliance with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2024. Management is responsible for the Authority's compliance with those requirements. Our responsibility is to express an opinion on the Authority's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Authority complied with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about the Authority's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the Authority's compliance with specified requirements.

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

In our opinion, the Authority complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2024.

Forvis Mazars, LLP

**Orlando, Florida
April 7, 2025**