

HAINES CITY WATER CONTROL DISTRICT
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2025

Table of Contents

Financial Section

Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-6

Financial Statements

Statement of net position and governmental fund balance sheet	7
Statement of activities and governmental fund revenues, expenditures and changes in fund balances	8
Notes to financial statements	9-13

Required Supplementary Information

Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual – General Fund	14
Notes to Required Supplementary Information	15

Compliance Section

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 <i>Government Auditing Standards</i>	16-17
Independent Auditor's Management Letter	18-20
Schedule of Findings and Responses	21
Independent Accountant's Report – Investment Compliance	22



Independent Auditor's Report

**Board of Supervisors
Haines City Water Control District
Haines City, Florida**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and major fund of the Haines City Water Control District (the "District") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the 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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 6 and the budgetary comparison information on pages 14 and 15 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Bradenton, Florida
June 26, 2026

Haines City Water Control District

Management's Discussion and Analysis

INTRODUCTION

The Haines City Water Control District (the "District") management discussion and analysis is intended to provide a narrative overview of the District's financial activities for the fiscal year ended September 30, 2025. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes, and supplementary information to the basic financial statements.

FINANCIAL HIGHLIGHTS

- The District's assets exceeded its liabilities, resulting in an ending net position of the District at the close of its most recent fiscal year of \$445,741. This amount may be used to meet the government's ongoing operating obligations.
- The change in the District's total net position in comparison with the prior fiscal year was an increase of \$58,706. The District's total expenses for all activities amounted to \$94,283 for the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis section is intended to serve as the introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, the increases or decreases in net assets may serve as an 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 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.

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. The governmental activities of the District include general government (management) and water control functions.

Haines City Water Control District

Management's Discussion and Analysis

FUND FINANCIAL STATEMENTS

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.

The District maintains one governmental fund for external reporting. Information is presented separately in the governmental fund balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances for the General Fund which is considered to be a major fund.

The District adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with the budget. (See page 14).

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements provide additional information that is essential to a full understanding of a government's financial position and they are required by accounting professional standards.

FINANCIAL ANALYSIS

Assets exceeded liabilities by \$445,741 at the close of September 30, 2025, fiscal year. The unrestricted net position may be used to meet the District's ongoing operations.

The following table highlights the net position as of September 30, 2025 and 2024:

	2025	2024
Total Assets	<u>\$ 451,141</u>	<u>\$ 387,035</u>
Liabilities		
Accounts payable	<u>5,400</u>	<u>-</u>
Total liabilities	<u>5,400</u>	<u>-</u>
Net position		
Unrestricted	<u>445,741</u>	<u>387,035</u>
Total net position	<u><u>\$ 445,741</u></u>	<u><u>\$ 387,035</u></u>

Haines City Water Control District

Management's Discussion and Analysis

The District's assets at September 30, 2025 consist entirely of cash deposits held in financial institutions. The District had \$5,400 in accounts payable outstanding at September 30, 2025. The District does not own capital assets.

The following table highlights the changes in net position for the year ended September 30, 2025 and 2024:

	2025	2024
Program revenues		
Special assessment	\$ 152,989	\$ 185,372
Total revenues	152,989	185,372
Expenses		
General government	50,791	113,632
Physical environment	43,492	-
Total expenses	94,283	113,632
Change in net position	58,706	71,740
Net position, beginning of year	387,035	315,295
Net position, end of year	\$ 445,741	\$ 387,035

BUDGETARY HIGHLIGHTS

The District adopted its fiscal year 2024/2025 budget in September 2024, with an assessment rate of \$50.00 per acre, which was the same as the prior fiscal year. The total amount budgeted for expenditures was \$145,000 for the fiscal year ended September 30, 2025. Total actual expenditures were \$33,709 below budgeted expenditures. The total net assessment revenue budgeted was \$145,000.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The District reported no capital assets and had no outstanding obligations for the fiscal years ended September 30, 2025 and 2024.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The District budgeted net revenues of \$145,000 with an assessment rate of \$50 per acre, for the next fiscal year ending September 30, 2026. The fiscal year ended September 30, 2025, also had an assessment rate of \$50 per acre. The assessment rate remained the same as the District is currently in a maintenance mode. The District budgeted expenses of \$145,000 for the fiscal year ended September 30, 2026.

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 the District's Administrator, Jazmine Beltran; Post Office Box 3338, Haines City, Florida 33845; 321-541-5339.

Haines City Water Control District

STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET SEPTEMBER 30, 2025

	General Fund	Adjustments	Statement of Net Position
Assets			
Cash and cash equivalents	\$ 451,141	\$ -	\$ 451,141
Total assets	451,141	-	451,141
Liabilities			
Accounts payable	5,400	-	5,400
Total liabilities	5,400	-	5,400
Fund balances			
Unassigned	445,741	-	-
Total fund balances	445,741	-	-
 Total liabilities and fund balances	 \$ 451,141		
Net position			
Unrestricted		-	445,741
Total net position		\$ -	\$ 445,741

The accompanying notes are an integral part of these financial statements.

Haines City Water Control District

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	General Fund	Adjustments	Statement of Activities
Expenditures/expenses			
General government	\$ 50,791	\$ -	\$ 50,791
Physical environment	43,492	-	43,492
Total expenditures/expenses	94,283	-	94,283
Program revenues			
Intergovernmental revenues:			
Charges for services	152,989	-	152,989
Net program revenue			58,706
Excess of revenues over expenditures	58,706	-	-
Change in net position	-	-	58,706
Fund balances/net position			
Beginning of year	387,035	-	387,035
End of year	\$ 445,741	\$ -	\$ 445,741

The accompanying notes are an integral part of these financial statements.

Haines City Water Control District

Notes To Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Haines City Water Control District (the "District") have been prepared in conformity with generally accepted accounting principles as applicable to governmental units. The more significant of the District's accounting policies are hereafter described.

Reporting Entity

The District was created as the Haines City Drainage District No. 1 by Chapters 13649 and 14517, Laws of Florida in 1929. The District was recreated and reenacted by Chapter 2004-402, Laws of Florida in 2004. The operations of the District are fundamentally governed by special acts pertaining to the District.

The District is an independent special district created pursuant to the method authorized in Chapter 298 of the Florida Statutes. A five-member Board of Supervisors governs the District. Candidates for the Board are nominated by a minimum of three District property owners, and are elected at the Annual Landowners Meeting, or in the case of a vacancy, at the next available meeting. Board members are elected or re-elected to three-year terms. The Board appoints an Administrator to administer the policies emanating from its statutory powers and authority.

The Board has responsibility for:

- Assessing and levying assessments.
- Approving budgets.
- Exercising control over facilities and properties.
- Controlling the use of funds generated by the District.
- Approving the hiring and firing of key personnel.
- Financing improvements.

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

Notes To Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Government-Wide and Fund Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The District's drainage activities and general administrative services are classified as governmental activities. Fund financial statements are presented for the District's General Fund. This fund is considered a major fund.

In the government-wide statement of net position, the governmental activities columns are presented on a consolidated basis by column, and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts - invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

The government-wide statement of activities reports both the gross and net cost of the District's functions and activities. The functions are also supported by general government revenues. The statement of activities reduces gross expenses (including depreciation) by related program revenues (assessments), operating and capital grants. Program revenues must be directly associated with the District's functions and activities.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

Basic Financial Statements – Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The General Fund, the only fund of the District, is a governmental fund and is considered a major fund in these financial statements.

Notes To Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Fund Financial Statements (Continued)

The following fund type is used by the District:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental fund of the District:

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

Measurement Focus/Basis of Accounting

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 liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resource measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures are generally recorded when liability is incurred, as under accrual accounting.

Cash and Cash Equivalents

The District's cash deposits are held by a commercial bank qualified as a public depository under Florida law. All deposits are insured by the Federal Deposit Insurance Corporation.

Capital Assets

The capitalization policy of the District is to capitalize all assets with a cost of \$750 or more with an expected life of two years or more. As of September 30, 2025, the District had no capital assets.

Notes To Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position and Fund Balances

In accordance with generally accepted accounting standards, the District reports the following component of net position in its Government-wide financial statements:

Unrestricted Net Position – Unrestricted net position is the residual classification for the General Fund.

In accordance with generally accepted accounting standards, the District classifies governmental fund balances as follows:

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the General Fund.

The District's policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

Budgets and Budgetary Accounting

The District used the following procedures to establish the budgetary data which is reflected in the financial statements:

1. During April, the Administrator submits 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 September, the budgets are legally enacted through passage of a resolution.
4. All budget changes must be approved by the Board of Supervisors.
5. The budget for the General Fund was adopted on a basis consistent with generally accepted accounting principles.
6. Total budgeted amounts reflect all amendments approved by the Board of Supervisors. Line item changes made during the year were approved by the Board of Supervisors.

Use of Estimates

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

Haines City Water Control District

Notes To Financial Statements

NOTE 2. CASH AND CASH EQUIVALENTS

The District's cash balance as of September 30, 2025, amounted to \$454,899, and it consisted of cash balances deposited at commercial checking accounts at the South State Bank.

These deposits are insured by the Federal Deposit Insurance Corporation or by collateral pursuant to the Florida Security for Public Deposits Act (Florida Statutes Chapter 280). Under this Act, financial institutions that qualify as public depositories pledge securities that have a market value equal to 50% - 125% of the average daily balance for each month of all public deposits in excess of applicable deposit insurance. The Public Depository Security Trust Fund has a procedure to allocate and recover losses in the event of default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof.

NOTE 3. 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 year following assessment. On February 6, 2025, the District levied an assessment of \$50 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.

NOTE 4. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets and errors and omissions. The District is not a member of the insurance program sponsored by the Florida League of Cities for general liability and public officials' liability coverage, and does not carry liability insurance.

NOTE 5. SUBSEQUENT EVENTS

The District's management has evaluated subsequent events through June 26, 2026, the date which the financial statements were available to be issued. No events were noted that may require recording or disclosure in the District's Financial Statements as of September 30, 2025.

REQUIRED SUPPLEMENTARY INFORMATION

Haines City Water Control District

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET (GAAP BASIS) AND ACTUAL – GENERAL FUND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budget Original and Final	Actual	Variance With Final Budget
REVENUES			
Assessments, net of discounts	\$ 145,000	\$ 152,989	\$ 7,989
Total revenues	145,000	152,989	7,989
EXPENDITURES			
Current:			
General government			
Administrator	4,600	3,800	800
Office expense	6,000	-	6,000
Legal fees	41,400	45,183	(3,783)
Audit fees	18,000	-	18,000
Mailings	-	1,558	(1,558)
Dues	9,300	-	9,300
Legal advertising	4,875	-	4,875
Website	325	250	75
Total general government	84,500	50,791	33,709
Physical environment			
Canal maintenance	26,500	33,209	(6,709)
Engineering fees	34,000	10,283	23,717
Total physical environment	60,500	43,492	17,008
Total expenditures	145,000	94,283	50,717
Excess of revenues over expenditures	-	58,706	58,706
FUND BALANCE, beginning of year	387,035	387,035	-
FUND BALANCE, end of year	\$ 387,035	\$ 445,741	\$ 58,706

Haines City Water Control District

Notes To Required Supplementary Information

NOTE 1. BUDGETARY ACCOUNTING

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

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

Actual General Fund expenditures for the fiscal year ended September 30, 2025, were less than appropriations due primarily to anticipated costs which were not incurred in the current fiscal year.

NOTE 2. OVER EXPENDITURES

At September 30, 2025, the following expenditures exceeded their budgeted amounts:

<u>Expenditure Type</u>	<u>Over Expenditure</u>
General Government	
Legal fees	\$ (3,783)
Mailings	(1,558)
Physical environment	
Canal maintenance	\$ (6,709)

COMPLIANCE SECTION



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*

**Board of Supervisors
Haines City Water Control District
Haines City, 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 major fund of the Haines City Water Control District (the "District"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 26, 2026.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Bradenton, Florida
June 26, 2026



Independent Auditor's Management Letter

**Board of Supervisors
Haines City Water Control District
Haines City, Florida**

Report on the Financial Statements

We have audited the financial statements of the Haines City Water Control District (the "District") as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated June 26, 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 Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and our 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 June 26, 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 or recommendations made in the prior audit.

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.

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 District has 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 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. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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.

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the District reported:

- a. There were no District employees compensated in the last pay period of the District's fiscal year.
- b. There were no independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency was \$0 for the year ended.
- d. There was no compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency.
- e. There were no construction projects with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1 of the fiscal year being reported.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes, has been presented on page 14 of this report.

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



Bradenton, Florida
June 26, 2026

Haines City Water Control District

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED SEPTEMBER 30, 2025

SECTION I SUMMARY OF AUDIT RESULTS

Financial Statements

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

Unmodified

Internal control over financial reporting:
Material weaknesses identified?

___ yes X no

Significant deficiencies identified not considered
to be material weaknesses?

___ yes X none reported

Noncompliance material to financial statements noted?

___ yes X no

Federal Programs and State Financial Assistance Projects

There was not an audit of major federal award programs or state financial assistance projects as of September 30, 2025 due to the total amount expended being less than \$1,000,000 of federal awards and \$750,000 of state financial assistance.

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III FEDERAL AWARDS AND STATE PROJECTS FINDINGS AND QUESTIONED COSTS

Not applicable.

SECTION IV PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None reported.



Independent Accountant's Report – Investment Compliance

**Board of Supervisors
Haines City Water Control District
Haines City, Florida**

We have examined the Haines City Water Control District's (the "District") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2025. Management of the District is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our 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 ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the District's compliance with specified requirements.

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

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

Mauldin & Jenkins, LLC

Bradenton, Florida
June 26, 2026