

**TINDALL HAMMOCK IRRIGATION
AND SOIL CONSERVATION DISTRICT**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

**TINDALL HAMMOCK IRRIGATION AND
SOIL CONSERVATION DISTRICT
September 30, 2025
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INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors
Tindall Hammock Irrigation and Soil Conservation District:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund, and the aggregate remaining fund information of Tindall Hammock Irrigation and Soil Conservation 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, the business-type activities, each major fund, and the aggregate remaining fund information of Tindall Hammock Irrigation and Soil Conservation District, as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Tindall Hammock Irrigation and Soil Conservation 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 Tindall Hammock Irrigation and Soil Conservation 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.

Auditors' 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 auditors' 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 Tindall Hammock Irrigation and Soil Conservation 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 Tindall Hammock Irrigation and Soil Conservation 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 and budgetary comparison information on pages 4-10 and 33-37, respectively, 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 29, 2026, on our consideration of the Tindall Hammock Irrigation and Soil Conservation 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 Tindall Hammock Irrigation and Soil Conservation 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 Tindall Hammock Irrigation and Soil Conservation District's internal control over financial reporting and compliance.

Lemo Sabey, PLLC

June 29, 2026

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

**TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
September 30, 2025**

The management of Tindall Hammock Irrigation and Soil Conservation District (the "District") would like to provide readers of the District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended September 30, 2025. Readers are encouraged to consider the information presented in this discussion and analysis in conjunction with the District's basic financial statements, which are contained herein and commence on page 11.

Prior to discussing the financial position of the District, the following information is offered to the readers. The Tindall Hammock Irrigation and Soil Conservation District exists pursuant to the provisions of Ch. 98-523, Laws of Florida, as amended, a Special Act of the Florida Legislature. The District was originally formed in 1951 and as of September 30, 2025 the District managed approximately 780 acres in central Broward County, Florida, and served a population of approximately 3,865 residents. The District, a special purpose unit of local government, has powers to manage stormwater, and exercise flood control, as well as own and operate utilities. Such powers include the ability to borrow money, and issue bonds or other evidences of indebtedness, to assess and levy upon all the lands in the District annual drainage, administrative and maintenance taxes, and to install and foreclose special assessment liens.

The District also provides water and sewer services to approximately 187 and 159 customers, respectively.

FINANCIAL HIGHLIGHTS

As of September 30, 2025, the District's total assets exceeded total liabilities by \$29,300,986 (net position). Unrestricted net position (deficit) for government activities was \$12,520,100 and \$(8,641,825) for business-type activities. The restricted net position for the impact fee fund was \$1,661,264.

For the year ended September 30, 2025, government activities revenues totaled \$1,499,315 while governmental activities expenses totaled \$752,320. Business-type operating revenues totaled \$3,624,978. Business-type expenses totaled \$3,824,367. Impact fee revenues totaled \$498. No impact fee expenses were incurred for the year ended September 30, 2025.

DISTRICT HIGHLIGHTS

For fiscal year 2025, the District maintained the millage rate of 1.3307 mills. There was an effective increase in ad valorem taxes from the roll back rate of 1.2393 in fiscal 2025 of \$106,963.

During the 2025 fiscal year, the District completed the following capital improvement projects:

- The District completed several improvements to the storm water system during the fiscal year. The most notable was the ditch cleaning between the warehouse development and Everglades Park, along the west side of South Florida Water Management District Field Site and along State Road 84, north of Forest Lawn Cemetery.
- The District is continuing with the initiative started in fiscal year 2022 for the replacement of the north pump, for which an additional \$50,000 was budgeted in fiscal 2025. Analysis is ongoing. The 2025 fiscal year budget also includes funding for additional bank stabilization as needed and stage recorders with telemetry.
- The District installed a new monitoring well to replace the abandoned well that was under the electrical building.
- The District completed the installation of a master meter in one development in lieu of individually billing the residents.
- The painting project continued through the 2025 fiscal year. Additional work was added to the contract, including the refurbishment of the equalization basin. The District also replaced the air delivery system in the basin with all new stainless steel piping.

**TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
September 30, 2025**

DISTRICT HIGHLIGHTS (continued)

- The District added first flush piping to the water treatment plant filter system. This will enhance the performance of the filters and improve the water quality. Pipes were added for the dewatering process to ease in the disposal of the filtrate water.
- The District received permits for a deep injection well from the Florida Department of Environmental Protection in fiscal year 2023. The project was bid in September 2023 and awarded to a deep well contractor, All Webbs Enterprises, Inc., in December 2023 at the bid amount of \$7,663,350.00. Construction of the deep injection well commenced in 2024 and was completed in the second calendar quarter of 2026. The second phase of the project involves deep well improvements, to include a new injection well pump station and chlorine contact chamber, and was commenced in May 2026, with completion expected in fiscal year 2028. As part of this project, a new multi-stage blower will be installed, which will provide back-up for the existing aeration system which supports the equalization basin, aeration tank and the aerobic digester. A new power station panel will be included in this project. The panel will replace the need for a portable generator to run the dewatering centrifuges. This will reduce the operating costs of that system.
- The five-year storm water recertification process is ongoing, with one five-year renewal certification completed during the 2025 fiscal year. In addition, the District completed two applications for permits for new certifications completed during the year involving storm water drainage and two development reviews and inspections for water and sewer services. In addition, the District continued in fiscal 2025 with the permitting process and related work involving utility easements for new developments within the utility service area.
- The FDEP operational permit is in place until September 10, 2029.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The government-wide financial statements present an overall picture of the District's financial position and results of operations. The fund financial statements present financial information for the District's major funds. The notes to the basic financial statements provide additional information concerning the District's finances that are not disclosed in the government-wide or fund financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements include the Statement of net position and the Statement of activities. These statements use accounting methods similar to those used by private sector companies. Emphasis is placed on the net position of government activities and business-type activities and the change in net position. Government activities are primarily supported by assessments and property taxes. Business-type activities are supported by charges to the users of those activities, such as water and sewer services.

The Statement of net position presents information on all assets, deferred outflows of resources, deferred inflows of resources and liabilities of the District, with the reported as net position. Net position is reported in three categories: 1) investment in capital assets, net of any related debt; 2) restricted; and 3) unrestricted. Assets, liabilities, and net position are reported for all government activities separate from the assets, liabilities, and net position of business-type activities.

(continued)

**TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
September 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

The Statement of activities presents information on all revenues and expenses of the District and the change in net position. Expenses are reported by major function and program. Revenues relating to those functions are reported, providing the net cost of all functions provided by the District. To assist in understanding the District's operations, expenses have been reported as government activities or business-type activities. Government activities by the District include physical environment and general government. Business-type activities include user charges for water and sewer services.

Fund financial statements

Fund financial statements present financial information for governmental funds and proprietary funds. These statements provide financial information for the major funds of the District. Governmental fund financial statements provide information on the assets and liabilities of the fund, changes in current financial resources (revenues and expenditures), and available resources. Enterprise fund financial statements provide information on all assets and liabilities of the funds, changes in the economic resources (revenues and expenses), and total economic resources of the water and sewer fund.

Fund financial statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balance for all governmental funds. A statement of revenues, expenditures, and changes in fund balance - budget and actual, is provided for the District's general fund. For the enterprise fund, a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows are presented. Fund financial statements provide more detailed information about the District's activities. Individual funds are established by the District to track revenues that are restricted to certain uses and comply with legal requirements.

The government-wide financial statements and the fund financial statements provide different pictures of the District. The government-wide financial statements provide an overall picture of the District's financial standing, split between government activities and business-type activities. These statements are comparable to private-sector companies and give a good understanding of the District's overall financial health and how the District paid for the various activities, or functions, provided by the District. All assets of the District, including buildings, machinery and equipment, and infrastructure are reported in the Statement of net position. All liabilities, including principal outstanding on debt, and future employee benefits, obligated but not paid by the District, are included. The Statement of activities includes provision for depreciation of all long-lived assets of the District, but transactions between the different functions of the District have been eliminated in order to avoid duplicating related revenues and expenses.

The fund financial statements provide a picture of the major funds of the District. In the case of governmental activities, outlays for long-lived assets are reported as expenditures, and long-term liabilities, such as bonds, are not included in the fund financial statements. To provide an understanding of the differences between the fund financial statements and the government-wide financial statements, reconciliations are provided on pages 15 and 17.

Notes to the basic financial statements

The notes provide additional detail concerning the financial activities and financial balances of the District, information about the accounting practices of the District, investments of the District, and any long-term debt. It is important for readers to obtain a full understanding of these notes as they contain important information related to the financial statements.

**TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
September 30, 2025**

THE DISTRICT AS A WHOLE

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Tindall Hammock Irrigation and Soil Conservation District, assets exceeded liabilities by \$29,300,986 at year-end. The largest portion of the District's net position (81.09%) reflects its investments in capital assets (land, buildings, machinery and equipment, and infrastructure). The District uses capital assets to provide services to property owners, residents and businesses; accordingly, these assets are not available for future spending.

The District adopted the fiscal year 2024-2025 general and proprietary fund budgets on September 18, 2024. The District made no amendments to the budget during the fiscal year. Total general fund expenditures budgeted for the fiscal year ended September 30, 2025, were \$935,761 which excludes capital or proprietary expenditures versus total actual budgetary basis expenditures of \$676,258. The significant difference between budgeted and actual budgetary basis expenditures was largely due to engineering expenses, certain machinery, equipment and infrastructure expenditures, hurricane, and contingency events that were budgeted but not yet expended. Total proprietary fund expenditures budgeted for the fiscal year ended September 30, 2025, were \$2,434,138 while the actual proprietary budgetary basis fund expenditures were \$2,874,778. The most significant favorable variances occurred in the sludge removal and chemicals categories due to process changes in these areas. The most significant negative variance related to plant maintenance during the year in order to continue to address plant safety issues. Capital expenditures relating to the Fern Crest water and wastewater improvements for the fiscal year 2024-2025 were \$5,003,250. Due to the uncertainty of the timing of new development activities within the District boundaries, there were no impact fees budgeted.

GOVERNMENT-WIDE FINANCIAL POSITION

As noted earlier, net position may serve over time as a useful indicator of financial position. The following tables reflect the condensed government-wide statement of net position as of September 30, 2025 and 2024.

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**TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
September 30, 2025**

Comparative Financial Information - Net Position

	<u>Governmental Activities</u>		<u>Impact Fee Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Current and other assets	\$ 12,598,878	\$ 11,721,709	\$1,661,264	\$1,660,766	\$ 1,888,995	\$ 1,655,287	\$ 16,149,138	\$ 15,037,762
Capital assets	<u>1,800,278</u>	<u>1,876,340</u>	<u>-</u>	<u>-</u>	<u>21,961,169</u>	<u>17,884,508</u>	<u>23,761,446</u>	<u>19,760,848</u>
Total assets	<u>14,399,156</u>	<u>13,598,049</u>	<u>1,661,264</u>	<u>1,660,766</u>	<u>23,850,164</u>	<u>19,539,795</u>	<u>39,910,584</u>	<u>34,798,610</u>
Total liabilities	<u>78,778</u>	<u>24,666</u>	<u>-</u>	<u>-</u>	<u>10,530,820</u>	<u>6,021,062</u>	<u>10,609,598</u>	<u>6,045,728</u>
Net position:								
Investment in capital assets	1,800,278	1,876,340	-	-	21,961,169	17,884,508	23,761,447	19,760,848
Restricted	-	-	1,661,264	1,660,766			1,661,264	1,660,766
Unrestricted	<u>12,520,100</u>	<u>11,697,043</u>	<u>-</u>	<u>-</u>	<u>(8,641,825)</u>	<u>(4,365,775)</u>	<u>3,878,275</u>	<u>7,331,268</u>
Total net position	<u>\$ 14,320,378</u>	<u>\$ 13,573,383</u>	<u>\$1,661,264</u>	<u>\$1,660,766</u>	<u>\$ 13,319,344</u>	<u>\$ 13,518,733</u>	<u>\$ 29,300,986</u>	<u>\$ 28,752,882</u>

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
September 30, 2025

Comparative Financial Information – Changes in Net Position

	<u>Governmental Activities</u>		<u>Impact Fee Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Revenues:								
Maintenance taxes, net	\$ 1,480,725	\$ 1,318,703	\$ -	\$ -	\$ -	\$ -	\$ 1,480,725	\$ 1,318,703
Water and sewer fees			-	-	3,624,978	3,309,519	3,624,978	3,309,519
Other income	<u>18,590</u>	<u>22,779</u>	<u>498</u>	<u>52,405</u>	<u>-</u>	<u>-</u>	<u>19,088</u>	<u>75,184</u>
Total revenues	<u>1,499,315</u>	<u>1,341,482</u>	<u>498</u>	<u>52,405</u>	<u>3,624,978</u>	<u>3,309,519</u>	<u>5,124,791</u>	<u>4,703,406</u>
Expenses:								
Operations and maintenance	672,852	668,976	-	-	1,679,129	1,650,241	2,351,981	2,319,217
Payroll, taxes and benefits	3,406	3,394	-	-	1,195,649	1,069,755	1,199,055	1,073,149
Depreciation	<u>76,062</u>	<u>77,273</u>	<u>-</u>	<u>-</u>	<u>949,589</u>	<u>889,167</u>	<u>1,025,651</u>	<u>966,440</u>
Total expenses	<u>752,320</u>	<u>749,643</u>	<u>-</u>	<u>-</u>	<u>3,824,367</u>	<u>3,609,163</u>	<u>4,576,687</u>	<u>4,358,806</u>
Other income expense:								
Infrastructure contributed by developer	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>245,044</u>	<u>-</u>	<u>245,044</u>
Change in net position	746,995	591,839	498	52,405	(199,389)	(54,600)	548,104	589,644
Net position, beginning of year	<u>13,573,383</u>	<u>12,981,544</u>	<u>1,660,766</u>	<u>1,608,361</u>	<u>13,518,733</u>	<u>13,573,333</u>	<u>28,752,882</u>	<u>28,163,238</u>
Net position, end of year	<u>\$ 14,320,378</u>	<u>\$ 13,573,383</u>	<u>\$ 1,661,264</u>	<u>\$ 1,660,766</u>	<u>\$ 13,319,344</u>	<u>\$ 13,518,733</u>	<u>\$ 29,300,986</u>	<u>\$ 28,752,882</u>

Governmental activities increased the District's net position by \$746,995, impact fee activities increased the net position by \$498 and business-type activities decreased the net position by \$199,389 as reflected above.

**TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
September 30, 2025**

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances and to illustrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District chairman, H. Collins Forman Jr. at 888 South Andrews Avenue, Suite 302, Fort Lauderdale, 33316.

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**BASIC FINANCIAL STATEMENTS –
GOVERNMENT-WIDE**

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Statement of Net Position
September 30, 2025

	Governmental Activities	Impact Fee Activities	Business-Type Activities	Totals
ASSETS:				
Cash and cash equivalents	\$ 3,279,920	\$ 1,661,264	\$ 247,993	\$ 5,189,177
Accounts receivable, net	22,102	-	335,591	357,693
Prepaid expenses	-	-	32,278	32,278
Intangible asset	-	-	970,133	970,133
Deposits and other assets	500	-	-	500
Advance to water and sewer fund	9,296,356	-	-	9,296,356
Capital assets being depreciated, net	1,800,278	-	15,030,695	16,830,973
Capital assets not being depreciated	-	-	6,930,474	6,930,474
Right of use asset	-	-	303,000	303,000
Total assets	14,399,156	1,661,264	23,850,164	39,910,584
LIABILITIES:				
Accounts payable and accrued expenses	78,778	-	601,064	679,842
Contracts payable	-	-	58,652	58,652
Customer deposits	-	-	239,922	239,922
Other liabilities	-	-	826	826
Lease obligation	-	-	334,000	334,000
Advance from general fund	-	-	9,296,356	9,296,356
Total liabilities	78,778	-	10,530,820	10,609,598
NET POSITION:				
Investment in capital assets	1,800,278	-	21,961,169	23,761,447
Restricted	-	1,661,264	-	1,661,264
Unrestricted	12,520,100	-	(8,641,825)	3,878,275
Total net position	\$ 14,320,378	\$ 1,661,264	\$ 13,319,344	\$ 29,300,986

See accompanying notes to the financial statements.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Statement of Activities
For the Year Ended September 30, 2025

		Program Revenues		Net (Expense) Revenue And Change in Net Position			
		Charge for Services	Grants and Contributions	Primary Government			Totals
	Expenses			Governmental Activities	Impact Fee Activities	Business-Type Activities	
Government activities:							
Physical environment	\$ 676,258	\$ -	\$ -	\$ (676,258)	\$ -	\$ -	\$ (676,258)
Depreciation and amortization	76,062	-	-	(76,062)	-	-	(76,062)
Total government activities	752,320	-	-	(752,320)	-	-	(752,320)
Impact fee activities:							
Water and sewer	-	498	-	-	498	-	498
Total impact fee activities	-	498	-	-	498	-	498
Business- type activities:							
Water and sewer	3,824,367	3,624,978	-	-	-	(199,389)	(199,389)
Total business type activities	3,824,367	3,624,978	-	-	-	(199,389)	(199,389)
Total government	\$4,576,687	\$3,625,476	\$ -	\$ (752,320)	\$ 498	\$ (199,389)	\$ (951,211)

See accompanying notes to the financial statements.
(continued)

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Statement of Activities
For the Year Ended September 30, 2025
(continued)

Net (Expense) Revenue And Change in Net Position (continued)				
Primary Government				
	Governmental Activities	Impact Fee Activities	Business-Type Activities	Totals
General revenues:				
Maintenance taxes, net	1,480,725	-	-	1,480,725
Other income	18,590	-	-	18,590
	1,499,315	-	-	1,499,315
Change in net position	746,995	498	(199,389)	548,104
Net position, beginning of year	13,573,383	1,660,766	13,518,733	28,752,882
Net position, end of year	\$ 14,320,378	\$ 1,661,264	\$ 13,319,344	\$ 29,300,986

See accompanying notes to the financial statements.

**BASIC FINANCIAL STATEMENTS –
GOVERNMENTAL FUND**

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Balance Sheet - Governmental Fund
September 30, 2025

	General Fund
ASSETS	
Cash and cash equivalent	\$ 3,279,920
Advance to water and sewer fund	9,296,356
Other assets	22,602
Total assets	<u>\$ 12,598,878</u>
LIABILITIES AND FUND BALANCE	
LIABILITIES:	
Accounts payable and accrued expenses	\$ 78,674
Contracts payable	104
Total liabilities	78,778
FUND BALANCE (DEFICIT):	
Non-Spendable	9,296,356
Assigned	3,926,893
Unassigned	(703,149)
Total fund balance	12,520,100
Total liabilities and fund balance	<u>\$ 12,598,878</u>

See accompanying notes to the financial statements.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Reconciliation of Balance Sheet - Governmental Fund
to Statement of Net Position
September 30, 2025

Total governmental fund balance		\$ 12,520,100
Capital assets reported in the statement of net position		
Capital assets	3,232,369	
Less accumulated depreciation	<u>(1,432,091)</u>	<u>1,800,278</u>
Total net position		<u><u>\$ 14,320,378</u></u>

See accompanying notes to the financial statements.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Statement of Revenues, Expenditures, and Change in
Fund Balance - Governmental Fund
For the Year Ended September 30, 2025

	General Fund
General Revenues:	
Maintenance taxes, net of discounts	\$ 1,480,725
Investment earnings and other income	<u>18,590</u>
Total general revenues	<u>1,499,315</u>
Expenditures:	
Operations and maintenance	672,852
Payroll, payroll taxes and benefits	<u>3,406</u>
Total expenditures	<u>676,258</u>
Excess of revenues over expenditures	823,057
Fund balance at beginning of year	<u>11,697,043</u>
Fund balance at end of year	<u><u>\$ 12,520,100</u></u>

See accompanying notes to the financial statements.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Reconciliation of Statement of Revenues, Expenditures, and
Change in Fund Balance - Governmental Fund to the Statement of Activities
For the Year Ended September 30, 2025

Excess of revenues over expenditures - governmental fund		\$ 823,057
Capital assets related differences:		
Expenditures for capital assets	\$ -	
Less: current year depreciation	<u>(76,062)</u>	<u>(76,062)</u>
Change in net position		<u><u>\$ 746,995</u></u>

See accompanying notes to the financial statements.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Balance Sheet - Proprietary Fund
September 30, 2025

	Water and Sewer Fund
ASSETS:	
Cash and cash equivalents	\$ 247,993
Accounts receivable, net	335,591
Prepaid expenses	32,278
Intangible asset	970,133
Capital assets, net	21,961,169
Right of use asset	<u>303,000</u>
Total assets	<u><u>\$ 23,850,164</u></u>
 LIABILITIES AND NET POSITION	
LIABILITIES:	
Accounts payable and accrued expenses	\$ 601,064
Advance from general fund	9,296,356
Contracts payable	58,652
Customer deposits	239,922
Lease obligation	334,000
Other liabilities	<u>826</u>
Total liabilities	<u>10,530,820</u>
 NET POSITION:	
Investment in capital assets	21,961,169
Unrestricted	<u>(8,641,825)</u>
Total net position	<u>13,319,344</u>
Total liabilities and net position	<u><u>\$ 23,850,164</u></u>

See accompanying notes to the financial statements.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Statement of Revenues, Expenses, and Change in Net Position -
Proprietary Fund
For the Year Ended September 30, 2025

	<u>Water and Sewer Fund</u>
Operating revenues:	
Water and sewer fees	\$ 3,624,978
Operating expenses:	
Operations and maintenance	1,679,129
Payroll, payroll taxes and benefits	1,195,649
Depreciation	926,589
Amortization of right of use asset	<u>23,000</u>
Total operating expenses	<u>3,824,367</u>
Net loss	(199,389)
Net position, beginning of year	<u>13,518,733</u>
Net position, end of year	<u><u>\$ 13,319,344</u></u>

See accompanying notes to the financial statements.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Statement of Cash Flows -
Proprietary Fund
For the Year Ended September 30, 2025

	<u>Water and Sewer Fund</u>
Operating activities:	
Net loss	\$ (199,389)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation	926,589
Amortization of right of use asset	23,000
Imputed interest on lease obligation	(13,000)
Provision for credit losses	5,716
Change in assets and liabilities:	
Accounts receivable	(29,730)
Prepaid expenses	(7,334)
Accounts payable and accrued expenses	(290,148)
Contracts payable	18,694
Customer deposits	(43,717)
Other liabilities	<u>(2,023)</u>
Net cash provided by operating activities	388,658
Investing activities:	
Acquisition of capital assets	<u>(5,003,250)</u>
Net cash used in investing activities	(5,003,250)
Financing activities:	
Advances from general fund, net	<u>4,839,952</u>
Net cash provided by financing activities	<u>4,839,952</u>
Net increase in cash and cash equivalents	225,360
Cash and cash equivalents at beginning of year	<u>22,633</u>
Cash and cash equivalents at end of year	<u>\$ 247,993</u>

See accompanying notes to the financial statements.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Balance Sheet -
Impact Fee Fund
September 30, 2025

	Impact Fee Fund
ASSETS:	
Cash and cash equivalents	<u><u>\$ 1,661,264</u></u>
FUND BALANCE:	
Restricted	<u><u>\$ 1,661,264</u></u>

See accompanying notes to the financial statements.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Statement of Revenues, Expenditures, and Change in Fund Balance -
Impact Fee Fund
For the Year Ended September 30, 2025

	Impact Fee Fund
Operating revenues:	
Other income	\$ 498
Fund balance, beginning of year	<u>1,660,766</u>
Fund balance, end of year	<u><u>\$ 1,661,264</u></u>

See accompanying notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Notes to Financial Statements
September 30, 2025

(1) DESCRIPTION OF THE TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT

The Tindall Hammock Irrigation and Soil Conservation District (the "District") exists pursuant to the provisions of Chapter 98-523, Laws of Florida, as amended, a Special Act of the Florida Legislature. The District was originally formed in 1951 and includes approximately 780 acres in central Broward County, Florida.

The District is a special purpose unit of a local government with powers primarily in the areas of stormwater management, flood control, and utility ownership and operation. Such powers include rights to borrow money and issue bonds or other evidences of indebtedness, assess and impose assessments upon all the lands in the District for annual drainage, administrative, and maintenance taxes and impose and foreclose on special assessment liens.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with generally accepted accounting principles ("GAAP") as applied to government units. The Government Accounting Standards Board ("GASB") is the standard-setting body for establishing government accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

(a) Reporting Entity and Financial Reporting

The District follows the standards promulgated by GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, to define the reporting entity. The District's financial statements include operations for which the District exercises oversight responsibility. Oversight responsibility is demonstrated by financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The District has not identified any component units and is not a participant in any joint-venture; accordingly, operations of no other entities have been included in the financial statements.

The District follows the requirements of GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54"). The District also follows the requirements of GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* ("GASB 34") and Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* ("GASB 63"), which incorporates deferred outflows and deferred inflows of resources into the definitions of the required components of the residual measure of net position. The District did not have any deferred outflows or deferred inflows of resources as of September 30, 2025.

(b) Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements. The government-wide statements focus on the District as a whole, while the fund financial statements focus on major individual funds.

The government-wide financial statements include a Statement of net position and a Statement of activities. These statements report information on all activities of the District. Inter-fund activity has been eliminated from these statements. The Statement of activities demonstrates the extent to which the expenses of the District are offset by the revenues collected by the District. Revenues collected include investment income earned during the year. The District's policy is to apply restricted resources before unrestricted resources when an expense is incurred for which both restricted and unrestricted assets are available.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Notes to Financial Statements
September 30, 2025

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Separate financial statements are provided by governmental fund. Major governmental funds are reported as separate columns in the fund financial statements. The governmental fund statements reflect amounts due from/to other funds. These amounts represent transfers repaid in the future period.

(c) Measurement Focus and 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 a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be measurable and available when the cash flow from the revenue can be reasonably estimated and they are available to pay liabilities of the current period. For this purpose, the District considers maintenance taxes to be available if they are collected within sixty days of the end of the current fiscal period. A one-year availability period is used for all other revenues. Revenues susceptible to accrual are maintenance taxes and interest on investments. Maintenance taxes are recorded as revenues in the fiscal year they are levied, provided they are collected in the current period or within sixty days thereafter. Interest on invested funds is recognized when earned. Expenditures for governmental funds generally are recorded when the related fund liability is incurred, as under accrual accounting. However, in accordance with the modified accrual basis of accounting, expenditures related to claims and judgments are recorded only when the liability has matured and payment is due.

Proprietary funds focus on the flow of economic resources recognized on the accrual basis of accounting. These funds account for all assets and liabilities related to their operations. Revenue is recognized when earned, and expenses are recognized when incurred.

(d) Major Funds

Governmental Fund Type

Governmental funds are used to account for the District's expendable financial resources and related liabilities. The following are the District's governmental fund types:

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, for purposes of maintaining control over resources for specific activities or objectives, or to ensure compliance with finance-related legal requirements.

Impact Fee Fund – The impact fee fund is a restricted fund. It is used to account for all fees and associated expenditures relating to impact fees charged for water and sewer services.

Proprietary Fund Type

Proprietary funds are used to account for activities that receive significant support from business-type activities financed by self-generated revenues. The District currently has the following proprietary fund:

(continued)

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Notes to Financial Statements
September 30, 2025

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Water and Sewer Fund - The water and sewer fund is an enterprise fund established to account for operations that are to be financed and operated in a manner similar to private business enterprises. The costs of providing services to customers are to be recovered primarily through user charges.

(e) Budgetary Procedures and Accounting

An annual budget is adopted for the general fund on a basis consistent with GAAP, with the exception that the budgets include encumbrances as the equivalent of expenditures, and do not include revenues and expenditures related to certain special projects.

Prior to the end of the fiscal year, the District's chairman, in conjunction with the District's management company and the District's attorney, submits to the Board of Supervisors (the "Board") the proposed budget for the fiscal year commencing October 1st. The District holds workshops and public hearings, as required, on the proposed budget. Prior to the end of each fiscal year, the budget is formally adopted for the ensuing year.

The legal level of control, the level at which expenditures may not exceed the budget, is at the total expenditure level. Appropriations lapse at year end. Should additional expenditures be necessary during the year, the District has the authority to modify the budget by a majority vote of the Board.

(f) Encumbrances

For governments that use encumbrance accounting, significant encumbrances should be disclosed in the notes to the financial statements by major funds and non-major funds, in the aggregate, in conjunction with required disclosures about other significant commitments.

Encumbered amounts for specific purposes for which resources already have been restricted, committed, or assigned should not result in separate display of the encumbered amounts within those classifications. Encumbered amounts for specific purposes for which amounts have not been previously restricted, committed, or assigned are included within the committed or assigned fund balance. As of September 30, 2025, outstanding encumbrances amounted to \$2,746,893.

(g) Cash and Cash Equivalents

For purposes of the Statement of cash flows – proprietary fund, the District considers all highly liquid investments, including restricted assets, with an initial maturity of three months or less when purchased to be cash equivalents.

(h) Accounts Receivable

Accounts receivable reflected in the proprietary enterprise fund consist of amounts due from customers for water and sewer services, less an estimate made for doubtful accounts based on management's best estimate of probable losses inherent in the accounts receivable balance. Management determines the allowance for credit losses by regularly evaluating historical experience and current economic conditions. Accounts receivable are written off when deemed uncollectible. As of September 30, 2025, an allowance for credit losses was recorded in the amount of \$16,335.

(i) Capital Assets and Depreciation – Government-Wide Financial Statements

Capital assets, which include land, buildings, infrastructure, machinery and equipment and construction-in-progress are reported in the government-wide financial statements. All capital assets are recorded at historical cost or estimated historical cost when actual historical cost is not available.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Notes to Financial Statements
September 30, 2025

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated and awarded capital assets are recorded at their estimated fair market value on the date donated or when awarded by the courts. Consistent with Florida state statutes, the District defines capital assets as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Maintenance, repairs, and minor renovations are not capitalized. Expenditures that materially increase values or extend useful lives are capitalized. There are no idle or impaired capital assets as of September 30, 2025.

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

<u>Asset</u>	<u>Years</u>
Equipment	5-7
Water and sewer equipment	5-7
Water and sewer infrastructure	15-40
Water Control Structures (including storm water pump stations)	15-50

Canals and lakes are considered to be land improvements and, therefore, are not depreciated. Depreciation expense is reflected in the Statement of activities in accordance with GASB 34.

(j) Intangible Asset

In accordance with GASB Statement No. 51, Accounting and Financial Reporting for Intangible Assets, intangible assets with indefinite useful lives are not amortized and are evaluated for impairment when prominent events or changes in circumstances indicate that the service utility of the asset may have significantly and unexpectedly declined. For the year ended September 30, 2025, no such events or changes in circumstances were identified, and no impairment loss was recorded.

(k) Advance To and From Other Funds

Short-term inter-fund transactions, when applicable, are recorded by the lending fund as a receivable with a corresponding payable recorded by the borrowing fund. Repayments reduce the corresponding receivable and payable. Inter-fund balances are eliminated in the government-wide financial statements. As of September 30, 2025, the proprietary fund owed the general fund \$9,296,356, representing a working capital transfer from the general fund to the water and sewer fund and reported as Advance to water and sewer fund in the accompanying Balance sheet – governmental fund and Advance from general fund in the accompanying Balance sheet – proprietary fund.

(l) Compensated Absences

The full-time employees of the District may carryover to the following fiscal year all of their cumulative unused vacation benefits. Vacation time is earned based upon length of service, up to a maximum amount of five weeks per year, once the employee has completed twenty-five years of service with the District, with the exception of certain employees covered by employment agreements. Proprietary funds recognize a liability for compensated absences when the leave is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid or settled. Proprietary funds also recognize a liability for leave that has been used but not yet paid or settled. At September 30, 2025, the liability for accrued compensated absences was \$58,652, reported as Contracts payable in the accompanying Balance sheet – proprietary fund.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Notes to Financial Statements
September 30, 2025

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Fund Balance

GASB 54 classifies fund balances as follows:

Non-Spendable Fund Balances – Non-spendable fund balances include amounts not in spendable form, such as prepaid amounts and advances to other funds, and amounts required to be maintained intact legally or contractually. As of September 30, 2025, the District had non-spendable fund balances of \$9,296,356.

Restricted Fund Balances – Restricted fund balances include amounts constrained for a specific purpose by external parties. As of September 30, 2025, the impact fee fund had restricted funds of \$1,661,264.

Committed Fund Balances – Committed fund balances include amounts constrained for a specific purpose determined by a formal action or ordinance by a government using its highest level of decision-making authority. As of September 30, 2025, the District had no committed fund balances.

Assigned Fund Balances – Assigned fund balances include general fund amounts constrained for a specific purpose by the District's Board. As of September 30, 2025, the general fund had assigned fund balances of \$3,926,893.

Unassigned Fund Balance – Unassigned fund balance represents the residual classification for the general fund. As of September 30, 2025, the general fund had an unassigned fund balance deficit of \$703,149.

The District's Board approves all transactions that occur with respect to the restricted and committed fund balances, as adopted by the Board in accordance with GASB 54.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources are expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

GASB 54 does not apply to the District's proprietary enterprise funds.

(n) 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 expenses/expenditures during the reporting period. Actual results could differ from those estimates.

(o) Impact of Recently Issued Accounting Pronouncements

The District has not yet determined the impact of GASB pronouncements No. 103, 104 and 105 which have been issued but are not yet effective and have not been implemented.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Notes to Financial Statements
September 30, 2025

(3) CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of September 30, 2025, are comprised of the following:

Cash deposits:	
Demand deposit accounts	\$ 5,188,177
Petty cash	<u>1,000</u>
Total cash deposits	<u>\$ 5,189,177</u>

All of the District's cash deposits are held in accounts at depository institutions which are recognized as State of Florida Qualified Public Depositories in accordance with state statutes, which, in addition to being insured by the Federal Deposit Insurance Corporation ("FDIC") to \$250,000, are secured by collateralized securities as required under Chapter 280, of the Florida Statutes. At September 30, 2025, deposits with banks exceeded the FDIC limit by approximately \$4,971,000. The District has not experienced, nor does it anticipate, any losses in such accounts.

Following is the percentage allocation of cash and cash equivalents by depository institution as of September 30, 2025:

<u>Institution</u>	<u>Percentage of Total</u>
Truist	83.28%
BankUnited	16.72%

Negative cash balances have been reclassified to accounts payable in the accompanying Balance sheet – proprietary fund.

(4) MAINTENANCE TAXES AND SPECIAL ASSESSMENTS

Maintenance taxes and special assessments attach as an enforceable lien on the owners' property as of January 1st of each year. The taxes are levied on November 1st for that calendar year and are payable, without penalty, from November 1st to the following March 31st. Broward County bills and collects these taxes and assessments and remits these proceeds to the District. Payments made after March 31, are subject to late payment fines. Any amount unpaid as of June 30th, results in a tax certificate sale to investors. The District receives its share of the certificate sale, which generally represents the full amount due to the District. There were no material delinquent taxes as of September 30, 2025.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Notes to Financial Statements
September 30, 2025

(5) CAPITAL ASSETS

The following summarizes changes in the capital assets:

	Balance 9/30/2024	Additions	Transfers	Disposals and Retirements	Balance 9/30/2025
Government Activities:					
Capital Assets Being Depreciated:					
Water control structures	\$ 2,566,956	\$ -	\$ -	\$ -	\$ 2,566,956
Equipment	665,413	-	-	-	665,413
Total Capital Assets Being Depreciated	3,232,369	-	-	-	3,232,369
Less: Accumulated Depreciation:					
Water control structures	(1,001,829)	(47,780)	-	-	(1,049,609)
Equipment	(354,200)	(28,282)	-	-	(382,482)
Total Accumulated Depreciation	(1,356,029)	(76,062)	-	-	(1,432,091)
Capital Assets, Net	\$ 1,876,340	\$ (76,062)	\$ -	\$ -	\$ 1,800,278

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Notes to Financial Statements
September 30, 2025

(5) CAPITAL ASSETS (continued)

	Balance 9/30/2024	Additions	Transfers	Disposals and Retirements	Balance 9/30/2025
Business-Type Activities:					
Capital Assets Not Being Depreciated:					
Construction in Progress	\$ 1,951,249	\$ 4,727,901	\$ -	\$ -	\$ 6,679,150
Land	251,324	-	-	-	251,324
Total Capital Assets Not Being Depreciated:	2,202,573	4,727,901	-	-	6,930,474
Capital Assets Being Depreciated					
Infrastructure	23,339,549	275,349	-	-	23,614,898
Equipment	161,918	-	-	-	161,918
Total Capital Assets Being Depreciated:	23,501,467	275,349	-	-	23,776,816
Less Accumulated Depreciation					
Infrastructure	(7,703,801)	(909,689)	-	-	(8,613,490)
Equipment	(115,731)	(16,900)	-	-	(132,631)
Total Accumulated Depreciation	(7,819,532)	(926,589)	-	-	(8,746,121)
Capital Assets, Net	\$ 17,884,508	\$ 4,076,661	\$ -	\$ -	\$ 21,961,169

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Notes to Financial Statements
September 30, 2025

(6) Leases

On November 3, 2008, the District entered into an amended and restated lease agreement, with a related party allowing the District to discharge and dispose treated wastewater into a man-made rockpit owned by the related party. The lease calls for minimum lease payments of approximately \$3,400 per month. The lease expires on November 2, 2038 and contains no renewal options. The lease does not include a termination option for either party to the lease or restrictive financial or other covenants. To compute the lease liability, the District used the incremental borrowing rate estimated at 8.0%. Payments under the lease contract include fixed payments only.

Minimum future lease payments are as follows, as of September 30, 2025:

2026	\$	40,800
2027		40,800
2028		40,800
2029		40,800
2030		40,800
Thereafter		329,800
Total undiscounted lease payments		<u>533,800</u>
Less: imputed interest		<u>(199,800)</u>
Total lease liability	\$	<u>334,000</u>

Amortization expense related to the right of use asset and imputed interest expense on the related lease obligation approximated \$23,000 and \$27,800 during 2025, respectively, and are reported in Operating expenses in the accompanying Statement of revenues, expenses and change in net position – proprietary fund.

(7) RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions and natural disasters for which the District carries commercial insurance.

(8) WATER AND WASTEWATER UTILITY SYSTEM

Resolution 2008-20 authorizes the issuance of up to a total of \$15,000,000 aggregate principal amount of Tindall Hammock Irrigation and Soil Conservation District (Davie, Florida) Ad Valorem Tax Bonds, Series 2008 (the "Series 2008 Bonds"). As of September 30, 2025 and through June 29, 2026, the date on which the financial statements were available to be issued, the District had not yet issued any bonds authorized under the resolution.

The District's utility service area is located within the Town of Davie (the "Town"). The Town has approved certain land use amendments, and the redevelopment of several larger parcels within the District has led to an increase in both service revenue and taxable value in the current year. As a result of the increasing taxable values the District has been able to reduce the millage rate from the maximum of 6.000 mills in fiscal year 2014 to the current rate of 1.3307 mills for fiscal year 2025. The continuing redevelopment is expected to increase both service revenue and taxable values for several years. The combination of these conditions may provide for further decreases in the millage rate upon completion of the capital improvement plans, which include the deep injection well project.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Notes to Financial Statements
September 30, 2025

(9) UTILITY PLANT ACCESS

Access to the utility plant is through another property owner's private streets, as the property on which the plant is located is surrounded by such other property owner's land and development. The District has not been able to obtain a recorded ingress and egress to the plant, however, access has historically been made available through these private streets and as of June 29, 2026, the date on which the financial statements were available to be issued, the property owner has made no demands to the District to cease using this access.

(10) REGULATORY ISSUES

The District is engaged in certain environmental and regulatory issues that are applicable to the manner in which the District operates its drainage systems and its water and sewer system. The District has approved a multi-year Capital Improvement Program ("CIP") which when completed is intended to make all of the District systems compliant with current regulations. The District began implementing the CIP in fiscal year 2014 with the issuance of a bid request and continues in its compliance efforts.

(11) RELATED PARTIES

In accordance with Special Act of the Legislature (Chapter 98-523, Laws of Florida, as amended), the District Board is elected by the owners of land within the District, with each landowner's vote being based on the number of acres owned by such landowner. A significant portion of the land within the District is owned by members of the Board and related parties.

As a result, certain issues come before the District Board from time to time involving the District and these related parties. When such issues come before the Board, the District obtains opinions and recommendations of third parties in order to appropriately address and vote on any such issues.

On November 3, 2008, the District entered into a lease agreement with a related party allowing the District to discharge and dispose treated wastewater in accordance with its wastewater and disposal system permit issued by the Florida Department of Environmental Protection into a man-made rockpit owned by the related party. During 2025, the District made payments, including variable payments, of approximately \$45,604 under the lease agreement. See Note 6.

(12) SUBSEQUENT EVENTS

The District has performed an evaluation of subsequent events through June 29, 2026, which is the date the financial statements were available for issue.

Effective March 4, 2026, the District awarded a contract for the second phase of the deep injection well pumps and improvements project in the amount of \$4,980,100. The project commenced May 21, 2026 with completion expected by March 2028.

Effective December 10, 2025, the District approved the issuance of a request for proposal to contract with a professional services firm to provide management, operating and maintenance services to the District. The request for proposal is expected to be released on June 29, 2026.

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Statement of Revenues, Expenditures, and Change in
Fund Balance - Budget and Actual - Governmental Fund
(Budgetary Basis)
For the Year Ended September 30, 2025

	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:			
Maintenance taxes, net of discounts	\$ 1,494,450	\$ 1,480,725	\$ (13,725)
Interest	<u>1,500</u>	<u>18,590</u>	<u>17,090</u>
Total revenues	<u>1,495,950</u>	<u>1,499,315</u>	<u>3,365</u>
Operational expenditures:			
Pump repairs and maintenance	100,000	163,569	(63,569)
Payroll, payroll taxes and fees	6,619	3,406	3,213
Property appraiser and collection fees	22,942	22,798	144
Insurance	15,000	18,456	(3,456)
Legal advertising	10,000	4,088	5,912
Permits	5,000	-	5,000
Licenses and fees	500	2,675	(2,175)
Office supplies	-	184	(184)
Promotional activities	500	-	500
Postage	200	-	200
Storage service fees	7,500	7,936	(436)
Safety program	10,000	-	10,000
Utilities	<u>1,500</u>	<u>1,193</u>	<u>307</u>
	<u>179,761</u>	<u>224,305</u>	<u>(44,544)</u>
Professional fees:			
Management company	90,000	80,390	9,610
Engineering	150,000	85,790	64,210
Intergovernmental relations	30,000	15,000	15,000
Accounting	33,500	43,369	(9,869)
Bank fees	2,500	2,465	35
Legal	<u>250,000</u>	<u>224,939</u>	<u>25,061</u>
	<u>556,000</u>	<u>451,953</u>	<u>104,047</u>

See accompanying notes to financial statements.
(continued)

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Statement of Revenues, Expenditures, and Change in
Fund Balance - Budget and Actual - Governmental Fund
(Budgetary Basis)
For the Year Ended September 30, 2025
(continued)

	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance - Favorable (Unfavorable)</u>
Other expenditures:			
Hurricane	50,000	-	50,000
Machinery, equipment and infrastructure	100,000	-	100,000
Contingency	<u>50,000</u>	<u>-</u>	<u>50,000</u>
	<u>200,000</u>	<u>-</u>	<u>200,000</u>
 Total expenditures	 <u>935,761</u>	 <u>676,258</u>	 <u>259,503</u>
 Excess of revenues over expenditures	 <u>\$ 560,189</u>	 823,057	 <u>\$ 262,868</u>
Less: capital expenditures		<u>-</u>	
 Net change in fund balance		 <u>\$ 823,057</u>	

See accompanying notes to financial statements.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Statement of Revenues, Expenses, and Change in
Net Position – Budget and Actual – Proprietary Fund
(Budgetary Basis)
For the Year Ended September 30, 2025

	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:			
General service revenues	\$ 3,300,000	\$ 3,624,978	\$ 324,977
Operational expenses:			
Payroll, payroll taxes, benefits and fees	1,221,588	1,214,107	7,481
Other contractual services	30,000	54,212	(24,212)
Engineering expenses	30,000	43,276	(13,276)
Legal expenses	10,000	-	10,000
Infrastructure	30,000	32,043	(2,043)
Sludge removal	180,000	121,472	58,528
Water testing	100,000	94,224	5,776
Telephone	13,000	11,134	1,866
Electricity	115,000	112,404	2,596
Purchased water and sewer treatment	155,000	428,239	(273,239)
Equipment fees	25,000	18,048	6,952
Lake rental	45,000	4,804	40,196
Insurance	94,000	99,907	(5,907)
Maintenance	150,000	378,471	(228,471)
Vehicle expense	20,000	15,949	4,051
Generator expense	18,000	7,174	10,826
Credit losses	1,000	5,716	(4,716)
Bank fees	-	285	(285)
Imputed interest expense	-	27,800	(27,800)
Miscellaneous expense	1,500	1,894	(394)
Office supplies	11,000	8,906	2,094
Postage and delivery expense	6,000	4,097	1,903
Chemicals	143,500	144,952	(1,452)
Safety supplies	5,000	18,540	(13,540)
Uniforms	3,500	1,630	1,870
License and fees	16,000	21,082	(5,082)
Messenger and delivery	50	-	50
Training and seminars	6,000	4,412	1,588
Buildings, machinery and equipment	4,000	-	4,000
Total operational expenses	<u>2,434,138</u>	<u>2,874,778</u>	<u>(440,640)</u>

See accompanying notes to financial statements.
(continued)

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Statement of Revenues, Expenses, and Change in
Net Position – Budget and Actual – Proprietary Fund
(Budgetary Basis)
For the Year Ended September 30, 2025
(continued)

	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance - Favorable (Unfavorable)</u>
Excess of revenues over expenses	\$ 865,862	\$ 750,200	\$ (115,663)
Differences between budgetary and GAAP basis:			
Depreciation		(926,589)	
Amortization of right of use asset		<u>(23,000)</u>	
Change in net position		<u>\$ (199,389)</u>	

See accompanying notes to financial statements.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
Statement of Revenues, Expenditures, and Change in
Fund Balance – Budget and Actual – Impact Fee Fund
(Budgetary Basis)
For the Year Ended September 30, 2025

	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:			
Interest	<u>\$ 500</u>	<u>\$ 498</u>	<u>\$ (2)</u>
Change in fund balance	<u><u>\$ 500</u></u>	<u><u>\$ 498</u></u>	<u><u>\$ (2)</u></u>

See accompanying notes to financial statements.

OTHER REPORTS SECTION

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT

**INDEPENDENT AUDITORS' 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*
For the Year Ended September 30, 2025**

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

To the Board of Supervisors
Tindall Hammock Irrigation and Soil Conservation District:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund and the aggregate remaining fund information of Tindall Hammock Irrigation and Soil Conservation 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 29, 2026.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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, administrative rules, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Lemo Sabey, PLLC

June 29, 2026

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT

**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED BY
CHAPTER 10.550, RULES OF THE STATE OF FLORIDA OFFICE
OF THE AUDITOR GENERAL**

For the Year Ended September 30, 2025

**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED BY
CHAPTER 10.550, RULES OF THE STATE OF FLORIDA OFFICE
OF THE AUDITOR GENERAL**

To the Board of Supervisors
Tindall Hammock Irrigation and Soil Conservation District:

Report on the Financial Statements

We have audited the financial statements of the Tindall Hammock Irrigation and Soil Conservation District, located in Davie, Florida, as of and for the year ended September 30, 2025, and have issued our report thereon dated June 29, 2026.

Auditors' 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 Auditors' 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*. Disclosures in those reports, if any, which are dated June 29, 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 annual financial audit report. There were no corrective actions or recommendations made in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Tindall Hammock Irrigation and Soil Conservation District was originally established pursuant to the provisions of Chapter 98-523, a Special Act of the Florida Legislature in 1951. There are no component units of the Tindall Hammock Irrigation and Soil Conservation District.

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 Tindall Hammock Irrigation and Soil Conservation District met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Tindall Hammock Irrigation and Soil Conservation District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Tindall Hammock Irrigation and Soil Conservation District. It is management's responsibility to monitor the Tindall Hammock Irrigation and Soil Conservation 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 as of September 30, 2024.

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.

Monthly Financial Statements

Sections 10.554(1)(i)9.a. and 10.556(9), 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 provided monthly financial statements to its governing board and has made such financial statements available for public access on the District's website. In connection with our audit, we determined that the District provided monthly financial statements to its governing board and made such monthly financial statements available for public access on its website.

Transparency

Sections 10.554(1)(i)9.b. and 10.556(9), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the District provided a link on its website to the Florida Department of Financial Service's website to view the District's annual financial report submitted to the Department. In connection with our audit, we determined that the District provided a link on its website to the Florida Department of Financial Service's website.

Sections 10.554(1)(i)9.c. and 10.556(9), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the District posted its tentative and final budgets on its website. In connection with our audit, we determined that the District posted its tentative and final budgets on its website.

Specific Information (unaudited)

Tindall Hammock Irrigation and Soil Conservation District (the "District") has reported the following information (unaudited):

- Total number of District employees compensated in the last pay period of the District's fiscal year ended September 30, 2025: 15
- Total number of independent contractors to whom nonemployee compensation was paid in September 2025: 26
- All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency for fiscal year ended September 30, 2025: \$ 1,006,348
- All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency for fiscal year ended September 30, 2025: \$ 6,174,016
- Each construction project with a cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1, 2024:

<u>Projects</u>	<u>Expenditures</u>
Deep Injection Well	\$4,247,617

- Budget variance report: See pages 33-37 of annual financial statements for fiscal year ended September 30, 2025
- Ad valorem taxes collected by or on behalf of and millage rates imposed by the District for fiscal year ended September 30, 2025:

<u>Category</u>	<u>Rate Unit</u>	<u>Millage Rate</u>
Ad valorem tax	Rate	\$ 1.3307
Non-ad valorem special assessments	None	None
Outstanding bonds issued	None	None

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, the Board of Supervisors of Tindall Hammock Irrigation and Soil Conservation District, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Lero Sabey, PLLC

June 29, 2026

**TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
REPORT TO MANAGEMENT**

PART I - CURRENT YEAR COMMENTS AND RECOMMENDATIONS

No comments or recommendations were noted for the year ended September 30, 2025.

PART II - STATUS OF PRIOR YEAR COMMENTS AND RECOMMENDATIONS

Not applicable as there were no comments or recommendations in the prior year.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
STATEMENT OF EXPLANATION OR REBUTTAL
TO MANAGEMENT LETTER COMMENTS AND RECOMMENDATIONS
For the Year Ended September 30, 2025

There is no response required for the current year.

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT
AFFADAVIT PURSUANT TO SECTION 163.31801 OF THE FLORIDA STATUTES
For the fiscal year ended September 30, 2025

AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Patricia Mahaney, who being duly sworn, deposes and says on oath that:

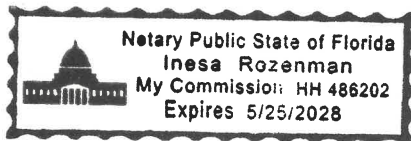
1. I am the Chief Financial Officer of Tindall Hammock Irrigation and Soil Conservation District which is a special taxing district of the State of Florida;
2. Tindall Hammock Irrigation and Soil Conservation District adopted Resolution No. 2014-05 implementing an impact fee; and
3. Tindall Hammock Irrigation and Soil Conservation District has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.


Patricia Mahaney, Chief Financial Officer

STATE OF FLORIDA
COUNTY OF BROWARD

SWORN TO AND SUBSCRIBED before me this 29th day of June, 2026.




NOTARY PUBLIC
Print Name Inesa Rozenman

Personally known X or produced identification _____

Type of identification produced: _____

My Commission Expires:

5/25/2028