

**County Line Drainage District
Alva, Florida**

General Purpose
Financial Statements

Year Ended September 30, 2025



DGPerry
CPAs + Advisors

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Independent Auditors' Report

Honorable Board of Supervisors
County Line Drainage District
Alva, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the County Line Drainage District (the "District") as of and for the fiscal year ended September 30, 2025 and 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 financial position of the governmental activities and each major fund of the County Line Drainage District as of September 30, 2025 and the respective changes in financial position for the fiscal 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 the County Line Drainage 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County Line Drainage 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 auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards 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 County Line Drainage 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 County Line Drainage 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 M1-M5 and 11-12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information 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 assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2026, on our consideration of the County Line Drainage 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County Line Drainage District's internal control over financial reporting and compliance.

A handwritten signature in cursive script, appearing to read "DG Perry".

DGPerry, PLLC
Zephyrhills, Florida
June 16, 2026

County Line Drainage District

Management's Discussion and Analysis
For the Year Ended September 30, 2025

The management of County Line Drainage District (the "District") would like to offer the readers of the District's financial statements this discussion and analysis of the District's financial activities during the fiscal year ended September 30, 2025. We encourage readers to consider the information presented in this discussion and analysis in conjunction with the District's financial statements, which follow this section.

Financial and District Highlights

Financial Highlights

- The assets of the District exceeded its liabilities at the end of the fiscal year ended September 30, 2025 by \$412,947.
- The District's total net position decreased by \$29,241.
- The District's total revenues were \$176,213 for the fiscal year ended September 30, 2025.
- Total expenses for all of the District's activities were \$205,454 for the fiscal year.

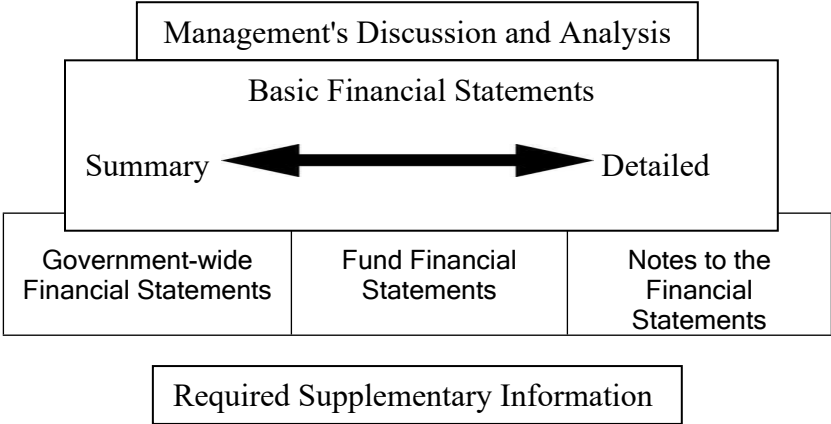
Using This Annual Report

This discussion and analysis is intended to serve as an introduction to County Line Drainage District's basic financial statements. The District's annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements themselves consist of three components: government-wide financial statements, fund financial statements, and notes to the basic financial statements. These statements present different views of the District:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the District's overall financial status.
- The fund financial statements focus on individual parts of the District's government, reporting the District's operations on a different basis of accounting than the government-wide statements.
- The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

County Line Drainage District

Management's Discussion and Analysis
For the Year Ended September 30, 2025



Government-wide Financial Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

One of the most important questions asked about the District's finances is "Is the District as a whole better off or worse off as a result of the year's activities?" The statement of net position and the statement of activities report information about the District as a whole and about its activities in a way that helps answer this question.

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Other non-financial factors should be considered, however, such as the condition of the District's capital assets (equipment, lift pumps, etc.) to assess the overall health of the District.

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

County Line Drainage District

Management's Discussion and Analysis
For the Year Ended September 30, 2025

Fund Financial Statements

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

The District's basic services are reported in a governmental fund, which focuses on how money flows into and out of the fund and the balances left at year-end that are available for spending. This fund is reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The differences between government-wide activities (reported in the statement of net position and the statement of activities) and the governmental fund are reconciled on separate schedules on pages 4 and 6.

Financial Analysis of The District as a Whole

Assets exceeded liabilities by \$412,947 for the fiscal year ended September 30, 2025 and is reported as net position.

The District uses capital assets to provide services to its landowners; accordingly, these assets are not available for future spending.

County Line Drainage District's Net Position September 30,

	2025	2024	Percentage Changes
Current and Other Assets	\$ 154,219	\$ 211,324	-27%
Capital Assets, Net of Accumulated Depreciation	262,489	242,308	8%
Total Assets	416,708	453,632	-8%
Current Liabilities	3,761	11,443	-67%
Noncurrent Liabilities	-	-	0%
Total Liabilities	3,761	11,443	-67%
Net Position			
Invested in Capital Assets, Net of Related Debt	262,489	242,308	8%
Unrestricted	150,458	199,881	-25%
Total Net Position	\$ 412,947	\$ 442,188	-7%

County Line Drainage District

Management's Discussion and Analysis
For the Year Ended September 30, 2025

County Line Drainage District's Changes in Net Position September 30,

	<u>2025</u>	<u>2024</u>	<u>Percentage Changes</u>
Revenues			
Program revenues			
Charges for services	\$ 170,851	\$ 170,990	0%
General revenues			
Other miscellaneous	5,362	10,859	-51%
Total Revenues	<u>176,213</u>	<u>181,849</u>	<u>-3%</u>
Expenses			
General government			
Physical environment	205,454	243,925	-16%
	<u>205,454</u>	<u>243,925</u>	<u>-16%</u>
Increase (Decrease) in Net Position	(29,241)	(62,076)	-53%
Net Position - Beginning of Year	<u>442,188</u>	<u>504,264</u>	<u>-12%</u>
Net Position - End of Year	<u><u>\$ 412,947</u></u>	<u><u>\$ 442,188</u></u>	<u><u>-7%</u></u>

County Line Drainage District

Management's Discussion and Analysis
For the Year Ended September 30, 2025

Budgetary Highlights

The District adopted the fiscal year 2024/2025 budget on August 7, 2024 and maintained the same assessment per acre of \$44.91.

The actual expenditures for the fiscal year ended September 30, 2025, were \$225,636.

Capital Assets

The following summarizes the District's capital assets and accumulated depreciation, for the fiscal year ended September 30, 2025.

Land	\$	53,012
Machinery and equipment		209,702
Culverts		474,060
	\$	<u>736,774</u>
Less Accumulated Depreciation		<u>(474,285)</u>
Totals	\$	<u><u>262,489</u></u>

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 any questions about this report or need additional financial information, contact the County Line Drainage District's management services at Special District Services, Inc., 2501A Burns Road, Palm Beach Gardens, FL 33410.

County Line Drainage District

Statement of Net Position
As of September 30, 2025

	<u>2025</u>
Assets	
Current Assets	
Cash	\$ 153,477
Accounts receivable - other	<u>742</u>
Total Current Assets	<u>154,219</u>
Non-current Assets	
Capital assets not being depreciated	53,012
Capital assets being depreciated, net	<u>209,477</u>
Total Non-Current Assets	<u>262,489</u>
Total Assets	<u><u>\$ 416,708</u></u>
Liabilities	
Current Liabilities	
Accounts payable	<u>\$ 3,761</u>
Total Current Liabilities	<u>3,761</u>
Total Liabilities	<u>3,761</u>
Net Position	
Invested in capital assets, net of related debt	262,489
Unrestricted	<u>150,458</u>
Total Net Position	<u>412,947</u>
Total Liabilities and Net Position	<u><u>\$ 416,708</u></u>

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

County Line Drainage District

Statement of Activities
For the Year Ended September 30, 2025

Function/Program Activities	Expenses	Charges for Services	Net (Expense) Revenue and Changes in Net Position
Governmental activities:			
Physical environment	\$ (205,454)	\$ 170,851	\$ (34,603)
Total Governmental Activities	\$ (205,454)	\$ 170,851	\$ (34,603)
General Revenues:			
Investment income			\$ 5,362
Total General Revenues			5,362
			Change in Net Position (29,241)
			Net Position, Beginning of Year 442,188
			Net Position, End of Year \$ 412,947

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

County Line Drainage District

Balance Sheet
As of September 30, 2025

	<u>General Fund</u>
Assets	
Cash	\$ 153,477
Accounts receivable - other	<u>742</u>
Total Assets	<u>\$ 154,219</u>
Liabilities and Fund Balance	
Liabilities	
Accounts payable	\$ 3,761
Total Liabilities	<u>3,761</u>
Fund Balance	
Unassigned	<u>150,458</u>
Total Fund Balance	<u>150,458</u>
Total Liabilities and Fund Balance	<u>\$ 154,219</u>

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

County Line Drainage District

Reconciliation of the Governmental Fund
Balance Sheet to the Statement of Net Position
As of September 30, 2025

Total Fund Balance - Governmental Fund \$ 150,458

Amounts reported for governmental activities in the
Statement of Net Position are different because:

Capital assets used in governmental activities
are not financial resources and, therefore, are
not reported in the governmental fund.

Cost of Assets	736,774	
Less accumulated depreciation	<u>(474,285)</u>	<u>262,489</u>

Total Net Position - Governmental Activities \$ 412,947

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

County Line Drainage District

Statement of Revenues, Expenditures, and Changes in Fund Balance
 Governmental Fund
 For the Year Ended September 30, 2025

	General Fund
Revenues	
Non-ad valorem assessments	\$ 170,851
Investment income	5,362
Total Revenues	176,213
Expenditures	
Current	
Physical environment	
Operating	225,636
Total Expenditures	225,636
Net Change in Fund Balance	(49,423)
Fund Balance, Beginning of Year	199,881
Fund Balance, End of Year	\$ 150,458

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

County Line Drainage District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Fund to the Statement of Activities For the Year Ended September 30, 2025

Net Change in Fund Balances - Total Governmental Fund \$ (49,423)

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

Governmental fund reports capital outlay as expenditures.
However, in the Statement of Activities, the cost of capital
assets are allocated over their estimated useful life and
reported as depreciation expense. Additionally, dispositions
of capital assets have different effects on the two statements,
as well. These differences are as follows:

Expenditures for Capital Assets	47,476
Current Year Depreciation	(27,294)

Change in Net Position of Governmental Activities \$ (29,241)

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

County Line Drainage District

Notes to Basic Financial Statements
For the Year Ended September 30, 2025

Note A - Summary of Significant Accounting Policies

Reporting Entity

The District was established pursuant to the laws of the State of Florida for the purpose of providing water control, drainage, and related infrastructure services within its boundaries.

The District is governed by a Board of Supervisors composed of landowners within the District. The Board is responsible for legislative and fiscal control of the District.

In accordance with Governmental Accounting Standards Board (GASB) Statements No. 39, 61, and 97, the financial reporting entity includes the primary government and any component units for which the District is financially accountable. Financial accountability is defined as the appointment of a voting majority of an organization's governing body and the ability to impose its will on that organization or the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the District.

Based on the application of these criteria, the District has determined that there are no component units that should be included in the financial reporting entity.

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. Governmental activities are supported primarily by non-ad valorem assessments and investment income.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function.

Program revenues include:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and
- Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function

Taxes and other items not included among program revenues are reported as general revenues.

Fund Financial Statements

The District reports the following major governmental fund:

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

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 recognized when earned and expenses are recognized when incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues available if they are collected within 60 days of the end of the fiscal year.

Expenditures are generally recognized when the related fund liability is incurred, except for debt service expenditures, which are recognized when due.

County Line Drainage District

Notes to Basic Financial Statements
For the Year Ended September 30, 2025

Note A - Summary of Significant Accounting Policies (continued)

Recent Accounting Pronouncements

GASB 101 Compensated Absences

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 101, Compensated Absences, to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences.

The District implemented the standard for the fiscal year ended September 30, 2025. The District has no employees and the implementation had no material impact on the financial statements.

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, time and demand deposits, and short-term investments with original maturities of less than three months from the date of acquisition.

The nature of investments is governed by the provisions of Florida Statutes Chapter 218. Under this statute, authorized investments are limited, unless otherwise authorized by law or ordinance, to the local government surplus funds trust fund, money market funds, direct or unconditionally guaranteed obligations of the United States Government, obligations of certain government agencies, interest bearing time deposits or savings accounts and certificates of deposit. At September 30, 2025, the District had no investments.

Capital Assets and Depreciation

Capital assets, which includes property, plant and equipment, and infrastructure assets (e.g., culverts), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Land Improvements	30
Machinery and Equipment	5-8
Culverts	20
Roads	30

The District evaluates capital assets for impairment when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Infrastructure assets include drainage systems and similar assets that are immovable and of value only to the District.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. In the fund financial statements, the face amount of debt issued is reported as another financing source.

County Line Drainage District

Notes to Basic Financial Statements
For the Year Ended September 30, 2025

Note A - Summary of Significant Accounting Policies (continued)

Non-Ad Valorem Assessments

The collection of non-ad valorem assessments is consolidated in the Office of the Lee County Tax Collector (the "Tax Collector"). Assessments are levied on November 1st of each year, or as soon thereafter as the tax roll is certified by the County Property Appraiser and delivered to the Tax Collector. All unpaid assessments levied become delinquent April 1st of the following year. Discounts are allowed for early payment at a maximum rate of 4%. Non-ad valorem assessment revenues are recognized when they become available. At September 30, 2025, unpaid delinquent assessments are not material and have not been recorded by the District.

Net Position

Net position is reported in three components:

- **Net investment in capital assets** - Consists of capital assets, net of accumulated depreciation and reduced by outstanding debt attributable to the acquisition, construction, or improvement of those assets
- **Restricted** - Consists of amounts constrained by external parties or enabling legislation
- **Unrestricted** - Consists of amounts not included in the other classifications

Fund Balance

Fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts can be spent. These classifications are:

- Nonspendable
- Restricted
- Committed
- Assigned
- Unassigned

When both restricted and unrestricted resources are available, it is the District's policy to use restricted resources first, followed by committed, assigned, and unassigned resources.

Use of Estimates

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

Note B - Deposits

In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds.

This is done in compliance with Section 280, Florida Statutes, which provides that in the event of a default by any such bank or savings and loan association, all participating banks and savings and loan associations throughout the State would be obligated to reimburse the District for any loss.

County Line Drainage District

Notes to Basic Financial Statements
For the Year Ended September 30, 2025

Note C - 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. The District is also covered by Florida Statutes under the Doctrine of Sovereign Immunity which effectively limits the amount of liability of the District to individual claims of \$200,000/\$300,000 for all claims relating to the same accident. There were no changes in insurance coverage from the prior year, and there were no settlements that exceeded insurance coverage.

Note D - Related Party Transactions

The District paid Florida Agri-Management Company, owned by Joe Beale, Board President of the District, \$9,000 during the fiscal year for repair and maintenance-related services.

Note E - Capital Assets

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

	Beginning Balance 10/01/2024	Additions	Deletions	Ending Balance 09/30/2025
Capital Assets not being depreciated:				
Land	\$ 53,012	\$ -	\$ -	\$ 53,012
Total capital assets not being depreciated	53,012	-	-	53,012
Capital assets, being depreciated:				
Machinery and equipment				
Lift pumps	166,174	-	-	166,174
Motors	34,783	-	-	34,783
Canker system	8,745	-	-	8,745
Culverts	426,584	47,476	-	474,060
Total capital assets, being depreciated	636,286	47,476	-	683,762
Less accumulated depreciation	(446,990)	(27,295)	-	(474,285)
Total capital assets being depreciated, net	189,296	20,181	-	209,477
Governmental activities - capital assets, net	\$ 242,308	\$ 20,181	\$ -	\$ 262,489

Depreciation expense of \$27,295 was charged to Physical Environment for the fiscal year ended September 30, 2025.

Note F - Subsequent Events

The District's management has evaluated events and transactions for potential recognition or disclosure through June 16, 2026 the date the financial statements were available to be issued.

County Line Drainage District

Budgetary Comparison Schedule
 General Fund
 For the Year Ended September 30, 2025

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget Positive/(Negative)</u>
Revenues				
Non-ad valorem assessments	\$ 167,584	\$ 170,244	\$ 170,851	\$ 607
Interest income	600	4,500	5,362	862
Total Revenues	<u>168,184</u>	<u>174,744</u>	<u>176,213</u>	<u>1,469</u>
Expenditures				
Physical environment	<u>286,951</u>	<u>275,287</u>	<u>225,636</u>	<u>49,651</u>
Net Change in Fund Balance	<u>(118,767)</u>	<u>(100,543)</u>	<u>(49,423)</u>	<u>51,120</u>
Fund Balance, Beginning of Year	<u>118,767</u>	<u>118,767</u>	<u>199,881</u>	<u>81,114</u>
Fund Balance, End of Year	<u><u>\$ -</u></u>	<u><u>\$ 18,224</u></u>	<u><u>\$ 150,458</u></u>	<u><u>\$ 132,234</u></u>

County Line Drainage District

Notes to Budgetary Comparison Schedule
For the Year Ended September 30, 2025

Note A - Budgets and Budget Accounting

Florida Statutes require that, for each fiscal year, a special district make appropriations which will not exceed the amount to be received from taxation and other available sources. The District annually adopts an operating budget for the general fund. The procedures for establishing budgetary data are as follows:

- In July of each year, at the Annual Landowners' Meeting, the District Manager submits a draft operating budget to the Board for the next fiscal year commencing the following October 1. The proposed budget includes expenditures and the means of financing them. The budget is adopted by the Board.

Budgets are adopted on the modified accrual basis of accounting, consistent with accounting principles generally accepted in the United States. All appropriations lapse at fiscal year-end unless encumbered or specifically designated to be carried forward to the subsequent year. Changes or amendments to the total budgeted expenditures of the District must be approved by the Board. Accordingly, the legal level of control is at the fund level.

**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***

Honorable Board of Supervisors
County Line Drainage District
Alva, 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 each major fund of County Line Drainage 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 16, 2026.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been 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 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "DGPerry". The signature is written in a cursive, flowing style.

DGPerry, PLLC
Zephyrhills, Florida
June 16, 2026

Management Letter

Honorable Board of Supervisors
County Line Drainage District
Alva, Florida

Report on the Financial Statements

We have audited the financial statements of the County Line Drainage District (the "District") as of and for the fiscal year ended September 30, 2025 and have issued our report thereon dated June 16, 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 the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Auditors' Report on Compliance with Section 218.415, Florida Statutes. Disclosures in that report, which are dated June 16, 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 findings or recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)2., *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 basic financial statements. The required disclosures regarding the District's official title, legal authority, and component units are included in Note A in the Notes to the Financial Statements.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require that we apply appropriate procedures and report the results of our determination as to whether or not the County Line Drainage District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes, during the fiscal year ended September 30, 2025.

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 County Line Drainage District. It is management's responsibility to monitor the County Line Drainage 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 address in the management letter any recommendations to improve financial management. In connection with our audit, we have no recommendations to improve financial management.

Special District Component Units

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statutes, Section 10.554(1)(i)7., *Rules of the Auditor General*, management has provided the specific information by Section 218.39(3)(c) listed below:

Number of district employees compensated at 9/30/2025	0
Number of independent contractors compensated in September 2025	3
Employee compensation for FYE 9/30/2025 (paid/accrued)	Not applicable
Independent contractor compensation for FYE 9/30/2025	\$60,627
Construction projects to begin on or after October 1; (>\$65K)	Not applicable
Budget variance report	See Variance Report on page 11 for details
Ad Valorem taxes;	Not applicable
Millage rate FYE 9/30/2025	Not applicable
Ad valorem taxes collected FYE 9/30/2025	Not applicable
Outstanding Bonds:	Not applicable
Non ad valorem special assessments;	
Special assessment rate FYE 9/30/2025	44.91 Per Acre
Special assessments collected FYE 9/30/2025	\$166,847
Outstanding Bonds:	Not applicable

Additional Matters

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Supervisors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



DGPerry, PLLC
 Zephyrhills, Florida
 June 16, 2026

**Independent Auditors' Report on Compliance
With Section 218.415, Florida Statutes**

Honorable Board of Supervisors
County Line Drainage District
Alva, Florida

We have examined the County Line Drainage District's (the "District") compliance with Section 218.415, Florida Statutes regarding the investment of public funds during the year ended September 30, 2025, as required by Section 10.556, *Rules of the Auditor General*. Management 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 (AICPA) and accordingly, included examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination of the District's compliance with specified requirements.

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

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the District, its management, and is not intended to be and should not be used by anyone other than these specified parties. However, this letter is a matter of public record and its distribution is not limited.



DGPerry, PLLC
Zephyrhills, Florida
June 16, 2026