



Wednesday, May 6, 2026 @ 2pm
Toho Administration Building, 951 MLK Boulevard, Kissimmee, FL 34741

The Water Cooperative of Central Florida (WCCF) Board of Supervisors will hold a regular Board meeting, commencing at 2 p.m. on Wednesday, May 6, 2026.

In addition to in-person attendance, members of the public may also 'hear' this meeting by telephone or virtually through the Internet. Public comments will only be accepted from in-person attendees.

Those who wish to address the Board and provide public comment must attend in-person. Anyone desiring to provide public comment on a matter not on the agenda must attend in person and submit a completed Hear the Audience Form.

Those interested in attending by phone can do so by dialing [+1 872-256-3959](tel:+18722563959), [527085654#](tel:+18722563959527085654) (Phone conference ID: 527 085 654#). Or, instructions to attend via the Internet shall be as set forth below:

Microsoft Teams [Need help?](#)

[Join the meeting now](#)

Meeting ID: [232 895 492 668 1](#)

Passcode: [CH3Rp9CN](#)

Dial in by phone

[+1 872-256-3959](tel:+18722563959), [527085654#](tel:+18722563959527085654) United States, Chicago

[Find a local number](#)

Phone conference ID: [527 085 654#](#)

Join on a video conferencing device

Tenant key: tohowater@m.webex.com

Video ID: 112 066 891 1



Wednesday, May 6, 2026 - Commencing 2.00PM
Toho Administration Building, 951 MLK Blvd., Kissimmee FL 34741

Meeting Agenda

- **MEETING CALLED TO ORDER**
- **MOMENT OF SILENCE / PLEDGE OF ALLEGIANCE**
- **ROLL CALL / CONFIRMATION OF QUORUM**
- **HEAR THE AUDIENCE**

AGENDA ITEMS REQUIRING BOARD ACTION:

1. APPROVAL OF WATER COOPERATIVE MINUTES, JANUARY 7, 2026 (SMITH)
2. APPROVAL OF REIMBURSEMENT OF EXPENDITURES TO DATE BY TOHO WATER AUTHORITY FOR WCCF (GREEN)
3. APPROVAL OF THE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025 (GREEN)
4. APPROVAL TO CONTRACT EMINENT DOMAIN ATTORNEY SERVICES FOR THE CYPRESS LAKE ALTERNATIVE WATER SUPPLY PROJECT (BEATTY)
5. APPROVAL OF RESOLUTION 2026-002-WC REGARDING DELEGATION OF AUTHORITY TO EXECUTE CERTAIN DOCUMENTS (ALDERMAN)
6. APPROVAL OF RESOLUTION 2026-003-WC APPOINTING ASSISTANT SECRETARY (ALDERMAN)

INFORMATIONAL AGENDA ITEMS:

7. CYPRESS LAKE ALTERNATIVE WATER SUPPLY PROJECT UPDATE (BEATTY)

- **BOARD MEMBER ANNOUNCEMENTS**

NEXT BOARD MEETING: JUNE 3. MONTHLY SCHEDULE: July 1 (Approval of proposed budget for 2027), August 5, September 2, October 7 (Adopt final FY27 Budget, Election of Officers, Set 2027 Meeting Dates), November and December 2, 2026.

MEETING ADJOURNED

If a person decides to appeal any decision made by the board with respect to any matter considered at such meeting or hearing, he or she will need a Record of the proceedings, and that, for such purpose, he or she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

WATER CO-OPERATIVE OF CENTRAL FLORIDA

Meeting Date: May 6, 2026

Agenda Item No. 1

Attachments: Minutes from January 7, 2026

Title: APPROVAL OF THE WCCF MEETING MINUTES OF JANUARY 7, 2026

Explanation:

At every Board meeting, the meeting is recorded, and minutes are prepared from the recording of the proceedings. Attached are the minutes from the January 7, 2026 Board Meeting.

Costs: None

Recommendation: Seeking Board approval of the WCCF meeting minutes of January 7, 2026

Initials: as



Minutes of January 7, 2026, Meeting of the Water Cooperative of Central Florida

Board Members present: Vice Chair: Council Member Kolby Urban (St Cloud), Secretary: Commissioner Michael Scott (Polk), Supervisor: Hector Lizasuain (Osceola County).

Staff Present: Toho Water Authority Executive Director Todd P. Swingle (via remote), Toho Water Cypress Lake Project Manager Deb Beatty, Toho Water General Counsel Jad Brewer, Toho Special Projects Counsel Anthony J. Cotter, Board Counsel Silvia Alderman, Senior Engineer - Planning, Development and Engineering Pollen Jung, Executive Assistant Ali Smith.

Absent: Chair: Commissioner Nicole Wilson (Orange County).

Vice Chairman Urban opened the meeting at 2:01 pm. Roll call completed; quorum was confirmed.

Item	Item Name	Notes
	Hear the Audience	No comment from the Audience, so closed.
1.	Approval of WCCF Meeting Minutes of October 1, 2025 (Smith)	Motion to approve the Minutes made by Vice Chair Urban. Motion seconded by Supervisor Lizasuain. Motion passed 3-0.
2.	Resolution 2026-001-WC for Approval of REVOLVING CREDIT AGREEMENT WITH TRUIST BANK AND ITS AFFILIATE TRUIST COMMERCIAL EQUITY INC (Henderson)	Revolving Credit Agreement Resolution 2025-002-WC was approved in April, 2025 and the bond validation was adjudicated November 13, 2025. Mike Weiner, bond counsel with Holland & Knight, presented this second Resolution (2026-001-WC) approving the revised Revolving Credit Agreement, to update and account for adjustments to bank credit terms, relating to the index used. A motion to approve the Resolution related o the Revolving Credit Agreement with Truist Bank and its affiliate Truist Commercial Equity, Inc., was moved by Vice Chair Urban. The motion was seconded by Supervisor Lizasuain. Motion passed 3-0.
7.	Cypress Lake Alternative Water Supply Project Update (Beatty)	Deb Beatty presented a high-level update of recent progress.
	Announcements	Board – None CEO – Apologized for not joining in person. Legal – None

Next Board meeting

Wednesday February 4, 2026

There being no further business to come before the Board, Vice Chairman Urban adjourned the meeting at 2.27 pm.

Vice Chair, Kolby Urban

Secretary, Michael Scott

WATER COOPERATIVE OF CENTRAL FLORIDA

Meeting Date: May 6, 2025

Agenda Item No. 2

Attachments:

Itemized list of expenditures by Toho Water Authority from August 25, 2025 to April 3, 2026

Title:

APPROVAL OF REIMBURSEMENT OF EXPENDITURES TO DATE BY TOHO WATER AUTHORITY ON BEHALF OF THE WATER COOPERATIVE OF CENTRAL FLORIDA

Explanation:

The Board of Supervisors adopted a Resolution at the October 2, 2013 meeting authorizing the reimbursement of expenses incurred by Toho Water Authority (Toho) on behalf of the Water Coop on a quarterly basis. The Resolution allows Toho to submit a detailed list of expenses incurred each quarter to the Board for approval for reimbursement. Under the Resolution, Toho could be reimbursed quarterly during the year instead of once annually, as was done for the previous fiscal year. The attached list of expenditures, made to date by Toho on behalf of the Water Coop, is being submitted for approval for reimbursement.

Amount to be reimbursed:

\$96,224.01

Recommendation:

Staff recommends approval of the list of expenditures submitted to date for reimbursement to the Toho.

Initials: asg

Attachment to Item 2

**Toho Water Authority List of Expenditures on behalf of the
Water Cooperative of Central Florida
August 25, 2025 - April 1, 2026**

Vendor	Date	Invoice	Amount	Explanation
Osceola News-Gazette	8/25/2025	6C96F32D-0008	41.87	meeting cancellation
Orlando Sentinel	8/27/2025	CU00017532 7862484	140.67	meeting cancellation
Gannet LocaliQ	8/31/2025	521996 7299958 B	177.23	meeting cancellation
Akerman LLP	9/2/2025	10104158	1,141.94	0292530 general representation
Southeastern Investment Se	10/1/2025	1-3-10012025	840.00	WCCF working group weekly calls
State of Florida	10/1/2025	Annual fee	175.00	
Akerman LLP	10/2/2025	10112731	2,240.00	0263348 CFWI representation
Akerman LLP	10/2/2025	10112733	3,885.00	0292530 general representation
Holland & Knight LLP	10/17/2025	219521.00003-OCT	18,565.30	bond counsel services
Osceola News Gazette	10/20/2025	6C96F32D-0009	27.29	meeting cancellation
Gannett Media Corp	10/24/2025	7402243 11771367	114.96	meeting cancellation
Orlando Sentinel	10/24/2025	CU00017532 7886882	76.92	meeting cancellation
Akerman LLP	11/4/2025	10120795	1,715.00	0292530 general representation
Akerman LLP	11/4/2025	10120797	35.00	0263348 CFWI representation
Holland & Knight	11/10/2025	219521.00003-Nov	18,562.09	bond counsel services
Osceola News Gazette	11/18/2025	6C96F32D-0010	25.74	meeting cancellation
Gannett Media Corp	11/21/2025	7453529 11849773	114.96	meeting cancellation
Gardner Bist King & Wood, L	11/21/2025	10582	5,472.50	CFWI rulemaking
Osceola News Gazette	11/25/2025	6C96F32D-0011	35.00	2026 meeting schedule
Gannett Media Corp	11/28/2025	7453529 11868672	201.18	2026 meeting schedule
Akerman LLP	12/3/2025	10128613	210.00	0292530 general representation
Southeastern Investment Se	12/3/2025	1-3-12032025	1,920.00	municipal advisory services/WIFIA
Holland & Knight	12/4/2025	219521.00003-DEC	21,277.52	bond counsel services
Akerman LLP	1/2/2026	10135458	1,925.00	0292530 general representation
USA Today	1/4/2026	7549905 11963130	177.23	2026 meeting schedule
Orlando Sentinel	1/7/2026	CU00017532 7916181	129.42	2026 meeting schedule
Osceola News Gazette	1/8/2026	6C96F32D-0013	42.72	2026 meeting schedule
Osceola News Gazette	1/21/2026	6C96F32D-0014	35.00	2/4/2026 meeting cancellation
Orlando Sentinel	1/24/2026	CU00017532 7922938	129.42	2/4/2026 meeting cancellation
USA Today	1/25/2026	7549905-12018868	162.86	2/4/2026 meeting cancellation
Southeastern Investment Se	2/3/2026	1-3-0203026	2,160.00	municipal advisory services/WIFIA
Akerman LLP	2/4/2026	10143320	2,895.00	0292530 general representation
Osceola News Gazette	2/19/2026	6C96F32D-0015	24.88	3/4/2026 meeting cancellation
Orlando Sentinel	2/28/2026	OSA22394	91.67	3/4/2026 meeting cancellation
USA Today	2/28/2026	7598274	105.38	3/4/2026 meeting cancellation
Southeastern Investment Se	3/3/2026	1-3-03032026	840.00	municipal advisory services/WIFIA
Akerman LLP	3/4/2026	10150973	5,950.00	0292530 general representation
Osceola News Gazette	3/20/2026	6C96F32D-0017	24.88	4/1/2026 meeting cancellation
USA Today	3/25/2026	7644758 12188583	105.38	4/1/2026 meeting cancellation
Southeastern Investment Se	4/1/2026	1-3-04012026	2,400.00	municipal advisory services/WIFIA
Akerman LLP	4/3/2026	10158106	2,030.00	0292530 general representation
Water Cooperative Total			96,224.01	

WATER COOPERATIVE OF CENTRAL FLORIDA

Meeting Date: May 6, 2026

Agenda Item No. 3

Attachments:

FY2025 Annual Financial Report, Required End of Audit Communication to Governance Letter

Title:

APPROVAL OF THE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Explanation:

Forvis Mazars has completed the required audit of the Water Cooperative's FY2025 financial statements. The Annual Financial Report (AFR) for the year ended September 30, 2025, is available electronically.

The year-end audit resulted in an unqualified opinion for the WCCF; this means the financial statements conform to generally accepted accounting principles and present fairly, in all material respects, the financial position of the WCCF and the results of its operations. However, the audit did identify a significant deficiency in internal controls; the WCCF exceeded its budget for professional services during the fiscal year without addressing it through a formal budget amendment. Management concurs with this finding and has implemented enhanced budgetary oversight procedures to prevent this in future. The finding is detailed on page 23 of the report.

The report covers the full fiscal year from October 1, 2024 to September 30, 2025. During this fiscal year, the WCCF had contributions of \$9,830; net position decreased by 67.0% or approximately \$163,755.

The AFR contains four required audit documents: in the Financial Section, the Independent Auditor's Report; in the Compliance Section, three required letters – the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards; the Independent Auditor's Management Letter and the Independent Accountant's Report. These documents contain required information about the audit engagement and provide important information about the Auditor's current year findings and recommendations. There were no findings or recommendations.

A representative from Forvis Mazars will be available to present the audit report, discuss audit findings, and answer any questions.

Costs:

None.

Recommendation:

Staff recommends approval of the Annual Financial Report for the Cooperative for the fiscal year ended September 30, 2025.

Initials: asg

Forvis Mazars Report to the Board of Supervisors and Management

Water Cooperative of Central Florida

Results of the 2025 Financial Statement Audit, Including Required Communications

September 30, 2025

Required Communications Regarding Our Audit Strategy & Approach (AU-C 260)

Overview & Responsibilities

Matter	Discussion
Scope of Our Audit	<p>This report covers audit results related to your financial statements:</p> <ul style="list-style-type: none">• As of and for the year ended September 30, 2025.• Conducted in accordance with our contract dated October 10, 2025.
Our Responsibilities	<p>Forvis Mazars is responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management, with the oversight of those charged with governance, are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).</p>
Audit Scope & Inherent Limitations to Reasonable Assurance	<p>An audit performed in accordance with auditing standards generally accepted in the United States of America (GAAS) and <i>Government Auditing Standards</i> issued by the Comptroller General of the United States (GAGAS) is designed to obtain reasonable, rather than absolute, assurance about the financial statements. The scope of our audit tests was established in relation to the opinion unit being audited and did not include a detailed audit of all transactions.</p>
Extent of Our Communication	<p>In addition to areas of interest and noting prior communications made during other phases of the engagement, this report includes communications required in accordance with GAAS that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process, including audit approach, results, and internal control. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.</p>
Independence	<p>The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.</p>
Your Responsibilities	<p>Our audit does not relieve management or those charged with governance of your responsibilities. Your responsibilities and ours are further referenced in our contract.</p>

Matter	Discussion
Distribution Restriction	<p>This communication is intended solely for the information and use of the following and is not intended to be, and should not be, used by anyone other than these specified parties:</p> <ul style="list-style-type: none"> • The Board of Supervisors and Management • Others within the Cooperative

Government Auditing Standards

Matter	Discussion
Additional GAGAS Reporting	<p>We also provided reports as of September 30, 2025, on the following as required by GAGAS:</p> <ul style="list-style-type: none"> • Internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with GAGAS
Reporting Limitations	<p>Our consideration of internal control over financial reporting and our tests of compliance were not designed with an objective of forming an opinion on the effectiveness of internal control or on compliance, and accordingly, we do not express such an opinion.</p>

Qualitative Aspects of Significant Accounting Policies & Practices

Significant Accounting Policies

Significant accounting policies are described in Note 1 of the audited financial statements.

With respect to new accounting standards adopted during the year, we call to your attention the following topics detailed in the following pages:

- No matters are reportable

Unusual Policies or Methods

With respect to significant unusual accounting policies or accounting methods used for significant unusual transactions (significant transactions outside the normal course of business or that otherwise appear to be unusual due to their timing, size, or nature), we noted the following:

- No matters are reportable

Alternative Accounting Treatments

We had discussions with management regarding alternative accounting treatments within GAAP for policies and practices for material items, including recognition, measurement, and disclosure considerations related to the accounting for specific transactions as well as general accounting policies, as follows:

- No matters are reportable

Management Judgments & Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. Significant areas of such estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates include:

- No matters are reportable

Financial Statement Disclosures

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- No matters are reportable

Our Judgment About the Quality of the Entity's Accounting Principles

During the course of the audit, we made the following observations regarding the Entity's application of accounting principles:

- No matters are reportable

Adjustments Identified by Audit

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments that, in its judgment, are required to prevent the financial statements from being materially misstated.

A misstatement is a difference between the amount, classification, presentation, or disclosure of a reported financial statement item and that which is required for the item to be presented fairly in accordance with the applicable financial reporting framework.

Proposed & Recorded Adjustments

Auditor-proposed and management-recorded entries include the following:

- No matters are reportable

Uncorrected Misstatements

No uncorrected misstatements to report.

Other Required Communications

Disagreements with Management

The following matters involved disagreements which if not satisfactorily resolved would have caused a modified auditor's opinion on the financial statements:

- No matters are reportable

Consultation with Individuals Outside of the Engagement Team

During our audit, we encountered the following matters, for which we consulted the views of individuals outside of the engagement team:

- No matters are reportable

Consultation with Other Accountants

During our audit, we became aware that management had consulted with other accountants about the following auditing or accounting matters:

- No matters are reportable

Significant Issues Discussed with Management

Prior to Retention

During our discussion with management prior to our engagement, the following issues regarding application of accounting principles or auditing standards were discussed:

- No matters are reportable

During the Audit Process

During the audit process, the following issues were discussed or were the subject of correspondence with management:

- No matters are reportable

Difficulties Encountered in Performing the Audit

Our audit requires cooperative effort between management and the audit team. During our audit, we found significant difficulties in working effectively on the following matters:

- No matters are reportable

Identified Fraud

During the audit process, we identified the following fraud or obtained information that indicates that the following fraud may exist:

- No matters are reportable

Other Material Communications

Listed below are other material communications between management and us related to the audit:

- Management representation letter (see Attachments)

Forvis Mazars Internal Control Communication

Water Cooperative of Central Florida

Communication Regarding Internal Control Related Matters Identified in an Audit
September 30, 2025

Required Communications Regarding Internal Control (AU-C 265)

Consideration of Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of the Water Cooperative of Central Florida as of and for the year ended September 30, 2025, in accordance with GAAS and GAGAS, we considered the Entity's internal control over financial reporting (internal control).

This consideration served as a basis for designing audit procedures that are appropriate in the circumstance for the purpose of expressing our opinion on the financial statements.

However, this consideration was **not** for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

Accordingly, we do not express an opinion on the effectiveness of the Entity's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraphs 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 were not 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 may exist that have not been identified.

This communication is intended solely for the information and use of the following and is not intended to be, and should not be, used by anyone other than these specified parties:

- The Board of Supervisors and Management
- Others within the Cooperative

Categorizing Deficiencies by Severity

Deficiency

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.



Significant Deficiency

A significant deficiency is a deficiency, or 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.



Material Weakness

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that material misstatements of the Entity's financial statements will not be prevented or detected and corrected on a timely basis.



Identified Deficiencies

We identified certain deficiencies in internal control that we consider to be significant deficiencies.

Management's written response to the significant deficiency identified in our audit has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

Significant Deficiencies

- 2025-001 Budgetary Controls

Refer to the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*.



Attachments

Management Representation Letter (Attachment A)

As a material communication with management, included herein is a copy of the representation letter provided by management at the conclusion of our engagement.

Attachment A
Management Representation Letter



Attachment A

Management Representation Letter

Water Cooperative *of* Central Florida

951 Martin Luther King Blvd., Kissimmee, FL 34741

www.watercoopcf.com

Representation of:

Water Cooperative of Central Florida
Kissimmee, Florida 34741

Provided to:

Forvis Mazars, LLP
Certified Public Accountants
255 South Orange Avenue, Suite 600
Orlando, FL 32801

The undersigned ("We") are providing this letter in connection with Forvis Mazars' audit of our financial statements as of and for the year ended September 30, 2025.

Our representations are current and effective as of the date of Forvis Mazars' report: April 24, 2026.

Our engagement with Forvis Mazars is based on our contract for services dated: October 10, 2025.

Our Responsibility & Consideration of Material Matters

We confirm that we are responsible for the fair presentation of the financial statements subject to Forvis Mazars' report in conformity with accounting principles generally accepted in the United States of America.

We are also responsible for adopting sound accounting policies; establishing and maintaining effective internal control over financial reporting, operations, and compliance; and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

Confirmation of Matters Specific to the Subject Matter of Forvis Mazars' Report

We confirm, to the best of our knowledge and belief, the following:

Broad Matters

1. We have fulfilled our responsibilities, as set out in the terms of our contract, for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.
2. We acknowledge our responsibility for the design, implementation, and maintenance of:
 - a. Internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
 - b. Internal control to prevent and detect fraud.
3. We have provided you with:
 - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data,

documentation, and other matters.

- b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. All minutes of the Board of Supervisors meetings, held through the date of this letter or summaries of actions of recent meetings for which minutes have not yet been prepared. All unsigned copies of minutes provided to you are copies of our original minutes approved by the Board of Supervisors, if applicable, and maintained as part of our records.
 - e. All significant contracts.
4. We have responded fully and truthfully to all your inquiries.

Government Auditing Standards

5. We acknowledge that we are responsible for compliance with applicable laws, regulations, and provisions of contracts and grant agreements.
6. We have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that have a direct and material effect on the determination of amounts in our financial statements or other financial data significant to the audit objectives.
7. We have identified and disclosed to you any violations or possible violations of laws, regulations, including those pertaining to adopting, approving, and amending budgets, and provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for recognition and/or disclosure in the financial statements or for your reporting on noncompliance.
8. We have taken or will take timely and appropriate steps to remedy any fraud, abuse, illegal acts, or violations of provisions of contracts or grant agreements that you or other auditors report.
9. We have a process to track the status of audit findings and recommendations.
10. We have identified to you any previous financial audits, attestation engagements, performance audits, or other studies related to the objectives of your audit and the corrective actions taken to address any significant findings and recommendations made in such audits, attestation engagements, or other studies.

Misappropriation, Misstatements, & Fraud

11. We have informed you of all current risks of a material amount that are not adequately prevented or detected by our procedures with respect to:
 - a. Misappropriation of assets.
 - b. Misrepresented or misstated assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position or fund balance.
12. We have no knowledge of fraud or suspected fraud affecting the entity involving:
 - a. Management or employees who have significant roles in internal control over financial reporting, or
 - b. Others when the fraud could have a material effect on the financial statements.
13. We understand that the term "fraud" includes misstatements arising from fraudulent financial reporting and misstatements arising from misappropriation of assets. Misstatements arising from

fraudulent financial reporting are intentional misstatements, or omissions of amounts or disclosures in financial statements to deceive financial statement users. Misstatements arising from misappropriation of assets involve the theft of an entity's assets where the effect of the theft causes the financial statements not to be presented in conformity with accounting principles generally accepted in the United States of America.

14. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, customers, analysts, SEC or other regulators, citizens, suppliers, or others.
15. We have assessed the risk that the financial statements may be materially misstated as a result of fraud and disclosed to you any such risk identified.

Ongoing Operations

16. We have evaluated whether there are conditions or events known or reasonably knowable, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern within one year of the date of the financial statements and known facts thereafter without consideration of potential mitigating effects of management's plans and concluded substantial doubt does not exist.

Related Parties

17. We have disclosed to you the identity of all of the entity's related parties and all the related-party relationships of which we are aware.

In addition, we have disclosed to you all related-party transactions and amounts receivable from or payable to related parties of which we are aware, including any modifications during the year that were made to related-party transaction agreements which existed prior to the beginning of the year under audit, as well as new related-party transaction agreements that were executed during the year under audit.

Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.

18. We understand that the term related party refers to:

- Affiliates
- Entities for which investments are accounted for by the equity method
- Trusts for the benefits of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management
- Management and members of their immediate families
- Any other party with which the entity may deal if one party can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests.

Another party is also a related party if it can significantly influence the management or operating policies of the transacting parties or if it has an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

The term affiliate refers to a party that directly or indirectly controls, or is controlled by, or is under

common control with, the entity.

Litigation, Laws, Rulings & Regulations

19. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.
20. We have no knowledge of communications, other than those specifically disclosed, from regulatory agencies, governmental representatives, employees, or others concerning investigations or allegations of noncompliance with laws and regulations, deficiencies in financial reporting practices, or other matters that could have a material adverse effect on the financial statements.
21. We have disclosed to you all known instances of violations or noncompliance or possible violations or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements or as a basis for recording a loss contingency.
22. We have no reason to believe the entity owes any penalties or payments under the Employer Shared Responsibility Provisions of the *Patient Protection and Affordable Care Act*, nor have we received any correspondence from the IRS or other agencies indicating such payments may be due. Adequate provisions have been accrued for potential penalties or payments due under the Employer Shared Responsibility Provisions of the *Patient Protection and Affordable Care Act*.
23. We have not been designated as a potentially responsible party (PRP or equivalent status) by the Environmental Protection Agency (EPA) or other cognizant regulatory agency with authority to enforce environmental laws and regulations:

Nonattest Services

24. You have provided nonattest services, including the following, during the period of this engagement:
 - Preparing a draft of the financial statements and related notes
25. With respect to these services:
 - a. We have designated a qualified management-level individual to be responsible and accountable for overseeing the nonattest services.
 - b. We have established and monitored the performance of the nonattest services to ensure they meet our objectives.
 - c. We have made any and all decisions involving management functions with respect to the nonattest services and accept full responsibility for such decisions.
 - d. We have evaluated the adequacy of the services performed and any findings that resulted.
 - e. We have established and maintained internal controls, including monitoring ongoing activities.
 - f. When we receive final deliverables from you, we will store those deliverables in information systems controlled by us. We have taken responsibility for maintaining internal control over these deliverables.

Financial Statements & Reports

26. We have reviewed and approved a draft of the financial statements and related notes referred to above, which you prepared in connection with your audit of our financial statements. We acknowledge that we are responsible for the fair presentation of the financial statements and related notes.
27. With regard to other information that is presented in the form of our annual report:
 - a. We confirm that the sections of the report as presented in the Table of Contents comprise the annual report for the entity.
 - b. We have provided you with the final draft of the annual report.

Transactions, Records, & Adjustments

28. All transactions have been recorded in the accounting records and are reflected in the financial statements.
29. The entity has appropriately reconciled its general ledger accounts to their related supporting information. All related reconciling items considered to be material were identified and included on the reconciliations and were appropriately adjusted in the financial statements. All intracompany (and intercompany) accounts have been eliminated or appropriately measured and considered for disclosure in the financial statements.
30. We have everything we need to keep our books and records.
31. We have disclosed any significant unusual transactions the entity has entered into during the period, including the nature, terms, and business purpose of those transactions.

Governmental Accounting & Disclosure Matters

32. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
33. With regard to deposit and investment activities:
 - a. All deposit, repurchase and reverse repurchase agreements, and investment transactions have been made in accordance with legal and contractual requirements.
 - b. Investments, derivative instrument transactions, and land and other real estate held by endowments are properly valued.
 - c. Disclosures of deposit and investment balances and risks in the financial statements are consistent with our understanding of the applicable laws regarding enforceability of any pledges of collateral.
 - d. We understand that your audit does not represent an opinion regarding the enforceability of any collateral pledges.
34. Components of net position (net investment in capital assets, restricted, and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
35. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
36. We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and

unrestricted net position/fund balance is available and have determined that net position is properly recognized under the policy.

General Government Matters

37. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as amended.
38. All funds that meet the quantitative criteria in in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, and No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus—an Amendment of GASB Statements No. 21 and No. 34*, for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
39. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
40. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
41. We have appropriately disclosed that the entity is following either its established accounting policy regarding which governmental fund resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available or is following paragraph 18 of GASB Statement No. 54 to determine the fund balance classifications for financial reporting purposes and have determined that fund balance is properly recognized under the policy.

Accounting & Disclosure

42. All transactions entered into by the entity are final. We are not aware of any unrecorded transactions, side agreements or other arrangements (either written or oral) that are in place.
43. Except as reflected in the financial statements, there are no:
 - a. Plans or intentions that may materially affect carrying values or classifications of assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position or fund balance.
 - b. Material transactions omitted or improperly recorded in the financial records.
 - c. Material unasserted claims or assessments that are probable of assertion or other gain/loss contingencies requiring accrual or disclosure, including those arising from environmental remediation obligations.
 - d. Events occurring subsequent to the balance sheet date through the date of this letter, which is the date the financial statements were available to be issued, requiring adjustment or disclosure in the financial statements.
 - e. Agreements to purchase assets previously sold.
 - f. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, lines of credit, or similar arrangements.

- g. Guarantees, whether written or oral, under which the entity is contingently liable.
 - h. Known or anticipated asset retirement obligations.
44. Except as disclosed in the financial statements, the entity has:
- a. Satisfactory title to all recorded assets, and those assets are not subject to any liens, pledges, or other encumbrances.
 - b. Complied with all aspects of contractual agreements, for which noncompliance would materially affect the financial statements.

Other Matters

Confirmation of Matters Specific to the Subject Matter of Forvis Mazars' Examination Report

- 45. All relevant matters are reflected in the measurement or evaluation of the Statute.
- 46. All known matters contradicting the compliance with Section 218.415, Florida Statutes and any communication from regulatory agencies affecting the compliance have been disclosed to you, including any communications received between the end of the period addressed in the written assertion and the date of your report.
- 47. We are responsible for the compliance with Section 218.415, Florida Statutes.
- 48. We are in compliance with Section 218.415, Florida Statutes.
- 49. We are responsible for the selection of suitable criteria and determining that such criteria are appropriate for our purposes, and for ensuring the criteria will be available to the intended users.
- 50. We have provided you with all relevant information and access.
- 51. We have disclosed to you all known matters that would materially affect the compliance.
- 52. We have disclosed to you all known events subsequent to the period (or point in time) of the subject matter being reported on that would have a material effect on the compliance.
- 53. With regard to compliance, we acknowledge the following:
 - a. We are responsible for establishing and maintaining effective internal control over compliance.
 - b. We have performed an evaluation of compliance with the specified requirements.



Todd Swingle
Executive Director, Water Cooperative of Central Florida
Executive Director/CEO, Tohopekaliga Water Authority



Rodney Henderson
Chief Financial Officer, Tohopekaliga Water Authority

WATER COOPERATIVE OF CENTRAL FLORIDA

Annual Financial Report

Year Ended September 30, 2025

Water Cooperative of Central Florida

Board of Supervisors as of September 30, 2025

Chair:	Nicole Wilson
Vice Chair:	Kolby Urban
Secretary:	Michael Scott
Board Member:	Hector Lizasuain

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April 24, 2026

The Chairman and Members of the Board of Supervisors
Water Cooperative of Central Florida
Osceola County, Florida

The Financial Statements of the Water Cooperative of Central Florida (WCCF) for the fiscal year ended September 30, 2025, are submitted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the WCCF. The WCCF's accounting function is provided by the Tohopekaliga Water Authority (Toho), including the preparation of these statements. We believe the data, as presented, is accurate in all material respects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the WCCF, and that all disclosures necessary to enable the readers to gain the maximum understanding of the WCCF's financial activity have been included.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The WCCF's MD&A can be found immediately following the report of the independent auditors.

The WCCF's financial statements have been audited by Forvis Mazars, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the WCCF for the fiscal year ended September 30, 2025, are free of material misstatement.

THE REPORTING ENTITY AND SERVICES PROVIDED

The WCCF is a unit of local government established by interlocal agreement on March 14, 2011, as defined by the Florida Interlocal Cooperation Act of 1969, as amended, and with all the privileges, benefits, powers, and terms provided within the agreement and by law, including without limitation, Section 163.01(7)(g) and Chapter 189, Florida Statutes. The parties to the agreement are the City of St. Cloud, Florida; Toho; Orange County, Florida; and Polk County, Florida. The parties determined that the growth of population and attendant commerce throughout Orange, Osceola, and Polk counties have caused the need to consider, advance, and develop an effective regional approach to the governmental conservation, use, delivery, and provision of potable and non-potable water facilities systems, the protection of the

environment, and the efficient, innovative, and cooperative use of valuable water resources. The establishment of the WCCF demonstrates an appreciation of the comprehensive planning requirements of Chapter 163, Florida Statutes, and the beneficial use policy declarations of Chapter 373, Florida Statutes, which mandate that local governments and water management districts coordinate their plans for future growth with available resources, funding constraints and thoughtful delivery of infrastructure. Creation of the WCCF allows for provision of economies of scale, elimination of duplicative functions, and protection of the local and regional environment.

MAJOR INITIATIVES

THE CYPRESS LAKE ALTERNATIVE SUPPLY PROJECT HISTORY

The Cypress Lake Alternative Water Supply (CLAWS) Project was developed as a regional water supply initiative by the WCCF Member Governments to provide a sustainable supply of potable water utilizing brackish water from the Lower Floridan Aquifer (LFA). In October 2011, the WCCF received a 30-year Water Use Permit authorizing the withdrawal of up to 37.5 million gallons per day (MGD) from the LFA, resulting in approximately 30 MGD of finished water available for distribution to the Member Governments.

Since project inception, multiple foundational agreements have been executed, including the CLAWS Interlocal Agreement (ILA) with seven funding amendments; a master Water Wheeling Infrastructure Cost-Sharing Agreement with seven executed sub-agreements for individual infrastructure projects; and a Governance Agreement. In addition, the project has been awarded a total of **\$19.66 million** to date in grant funding from the South Florida Water Management District (SFWMD) to support various components of the project.

Summary of CLAWS ILA Amendments

- **Amendments #1–#3**
These amendments reimbursed work completed by Toho prior to the formation of the WCCF, including the drilling of two test production wells and various permitting activities. Amendment #3 also funded construction of the first injection well for concentrate disposal and an associated monitoring well. All work associated with Amendments #1–#3 has been completed.

- **Amendment #4**
Approved by the Member Governments and the WCCF Board in July/August 2020, Amendment #4 provided funding for final design, permitting, and bidding assistance for the Water Treatment Plant (WTP), Raw Water Main, and wellfield.

- **Amendment #5**
Approved in November 2022, Amendment #5 funded bond counsel services, a financial advisor, a rate study consultant, consulting and legal services related to governance agreement

development, preconstruction services for a construction manager and third-party operator, construction administration and observation consulting, construction of three additional production wells and retrofit of one production well, property acquisition, and other miscellaneous services.

- **Amendment #6**

Approved in October 2023, Amendment #6 provided funding for construction and construction consulting services for a second injection well and associated monitoring well, construction of the raw water main, and various miscellaneous tasks.

- **Amendment #7**

Approved by the Member Governments and the WCCF Board in March 2025, Amendment #7 funds construction and construction consulting services for Production Wells CL-5 and CL-6; construction consulting services for the raw water main connecting the CL-5 and CL-6 sites to the WTP; and other miscellaneous tasks.

Governance and Infrastructure Agreements

- **Governance Agreement**

Approved in April 2023, the Governance Agreement establishes future ownership of the project and provides guidance for project administration, planning and budgeting, rates and charges, default provisions, dispute resolution, and cooperation, among other governance-related provisions.

- **Water Wheeling Infrastructure Cost-Sharing Agreement**

Approved in October 2021, this agreement establishes a mechanism for sharing the costs of infrastructure necessary to distribute water among the Member Governments. Seven sub-agreements related to individual infrastructure projects have been executed to date. Projects associated with executed sub-agreements have either been completed or are currently under construction, with additional sub-agreements in development for projects in the design phase.

Summary of SFWMD Grant Funding

- **Original Agreement**

Partially funded construction of the first injection well and associated monitoring well. Construction is complete, and **\$2.556 million** has been received.

- **Amendment 01**

Partially funded construction of three new production wells. Construction is complete, and **\$3.0 million** has been received.

- **Amendment 02**
Partially funds the retrofit and deepening of an existing production well, construction of a second injection well and associated monitoring well, and a portion of the raw water main. The retrofit has been completed, and **\$0.152 million** has been received. Upon completion of ongoing work, reimbursement of **\$4.785 million** for the injection well and monitoring well and **\$0.232 million** for the raw water main is anticipated.

- **Amendment 03**
Partially funds the construction of two additional production wells and a raw water main connecting the wells to the existing system. **\$4.75 million** has been awarded. Property acquisition is currently underway.

- **Amendment 04**
Upon execution, will partially fund preliminary WTP construction activities, including site work and partial concrete work. An award letter has been received for **\$4.192 million**.

FY2025 Activity Highlights

During fiscal year 2025, the WCCF achieved the following milestones:

- Finalized and obtained approval of CLAWS ILA Amendment #7 from Member Governments and the WCCF Board
- Received an award of \$4.75 million in SFWMD grant funding and submitted an FY2026 grant application (total grant funding awarded to date: \$19.66 million)
- Approved two additional Water Wheeling Infrastructure sub-agreements
- Completed 10-year annual allocation projections to forecast future WTP capacity needs
- Completed construction of three new production wells and retrofit of a fourth production well
- Initiated construction of the second injection well and associated monitoring well for concentrate disposal
- Achieved 90% completion of design documents for Production Wells CL-5 and CL-6
- Advanced WTP design through 30% and 60% milestones and completed multiple technical studies
- Bid a partial raw water main to connect four production well sites to the WTP
- Obtained the Florida Department of Environmental Protection (FDEP) WTP construction permit
- Approved consultant contracts for construction support services
- Submitted all required grant reports timely to ensure continued compliance
- Completed various additional activities supporting advancement of the CLAWS Project

In addition to the active engagement of staff from each Member Government, we sincerely thank Toho's staff their continued leadership and management of the administrative processes supporting the WCCF.



Todd P. Swingle
Toho Water Authority, CEO/Executive Director
Water Cooperative of Central Florida, Executive Director



Alexandra S. Green
Toho Water Authority, Comptroller

Independent Auditor's Report

Board of Supervisors
Water Cooperative of Central Florida
Kissimmee, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and General Fund of the Water Cooperative of Central Florida (the "Cooperative") as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Cooperative's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred above present fairly, in all material respects, the respective financial position of the governmental activities and General Fund of the Cooperative as of September 30, 2025, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Cooperative, 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 Cooperative's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Cooperative'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 Cooperative'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 Schedule information be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 24, 2026, on our consideration of the Cooperative'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 Cooperative's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cooperative's internal control over financial reporting and compliance.

Forvis Mazars, LLP

Orlando, Florida
April 24, 2026

**WATER COOPERATIVE OF CENTRAL FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended September 30, 2025**

The Water Cooperative of Central Florida's (the "Cooperative") Management's Discussion and Analysis presents an overview of the Cooperative's financial activities for the fiscal year ended September 30, 2025. Please read the information presented here in conjunction with the financial statements and accompanying notes following this Management's Discussion and Analysis (the "MD&A").

Financial Highlights

The following is a summary of significant financial highlights related to the Cooperative's operations:

- The assets of the Cooperative exceeded its liabilities at the close of fiscal year 2025 by \$80,550 (net position), a decrease of \$163,755 in net position from the prior year. This amount (\$80,550) is restricted for water projects (restricted net position).
- The Cooperative's operating contributions were \$9,830, an increase of 22.8% from the prior year. The majority of this increase is attributable to billings related to the legal representation of the Water Cooperative at the Central Florida Water Initiative for fiscal year 2025.
- The Cooperative's physical environment expenses were \$173,585, an increase of 1309.4% from the prior year. The majority of this increase is attributable to the increase in legal expenditures for the Cooperative's representation for the Central Florida Water Initiative ("CFWI").

Overview of the Financial Statements

The *government-wide and fund financial statements* are combined for this annual report, as all activities of the Cooperative are governmental activities. The report consists of the organization-wide and fund statements, notes to the financial statements, and required supplementary information. The statements are designed to provide readers with a broad overview of the Cooperative's finances, in a manner similar to a private-sector business.

The *Statement of Net Position and Governmental Fund Balance Sheet* presents information on all of the Cooperative's assets, liabilities, with the difference between them 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 Cooperative is improving or deteriorating.

The *Statement of Activities and Governmental Fund Revenues, Expenditures and Change in Fund Balance* presents information showing how the Cooperative's net position changed during the most recent fiscal year. The Cooperative uses the economic resources measurement focus and the accrual basis of accounting. All changes in net position are reported as the underlying event giving rise to the change, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. These governmental activities are primarily supported by assessments and charges for services.

**WATER COOPERATIVE OF CENTRAL FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended September 30, 2025**

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 Cooperative uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

The *notes to the financial statements* provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found after the Statement of Activities and Governmental Fund Revenues, Expenditures and Change in Fund Balance.

Government-Wide Financial Analysis

As noted earlier, net position may serve, over time as a useful indicator of a government's financial position.

Comparative Summary of the Statement of Net Position

As of September 30, 2025 and 2024

(In Thousands)

	2025	2024	Increase (Decrease)	
			Change	%
ASSETS				
Cash	\$ 161,875	\$ 253,635	\$ (91,760)	-36.1%
Accounts Receivable, Net	469	-	469	-
Total Assets	162,344	253,635	(91,291)	-36.0%
LIABILITIES				
Accounts Payable	81,794	9,330	72,464	776.6%
Total Liabilities	81,794	9,330	72,464	776.6%
NET POSITION				
Restricted – water projects	80,550	244,305	(163,755)	-67.0%
Total Net Position	\$ 80,550	\$ 244,305	\$ (163,755)	-67.0%

At the close of fiscal year ended September 30, 2025, there was \$80,550 in total net position. Total assets decreased by \$91,291, which primarily consisted of a decrease in cash due to increased professional services expenditures to prepare for issuing debt to fund the construction phase of the Cypress Lake project as well as to apply for a WIFIA loan. Total liabilities increased by \$72,464, due mostly to the increases in professional services payable.

**WATER COOPERATIVE OF CENTRAL FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended September 30, 2025**

**Comparative Summary of the Changes in Net Position
For the Years Ended September 30, 2025 and 2024
(In Thousands)**

	2025	2024	Increase (Decrease)	
			Change	%
Revenues:				
Operating Grants and Contributions	\$ 9,830	\$ 8,000	\$ 1,830	22.9%
Total Revenues	<u>9,830</u>	<u>8,000</u>	<u>1,830</u>	22.9%
Expenses:				
Physical Environment	173,585	12,316	161,269	1309.4%
Total Expenses	<u>173,585</u>	<u>12,316</u>	<u>161,269</u>	1309.4%
Change in Net Position	(163,755)	(4,316)	(159,439)	-3694.1%
Net Position – Beginning of Year	<u>244,305</u>	<u>248,621</u>	<u>(4,316)</u>	-1.7%
Net Position – End of Year	<u>\$ 80,550</u>	<u>\$ 244,305</u>	<u>\$ (163,755)</u>	-67.0%

In fiscal year 2025, there was an overall decrease in the Cooperative's net position of \$163,755. This 67.0% decrease in net position from the prior year is a result of increased professional services expenses to prepare for issuing debt to fund the construction phase of the Cypress Lake project as well as to apply for a WIFIA loan.

Financial Analysis of the Cooperative's Fund

As noted earlier, the Cooperative uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental fund. The focus of the Cooperative's governmental fund is to provide information on near-term inflows, outflows, and balance of *spendable* resources. Such information is useful in assessing the Cooperative's financing requirements.

The *General Fund* is the operating fund of the Cooperative. At the end of fiscal year 2025, restricted fund balance was \$80,550 which comprised 100% of the total fund balance. As a measure of the General Fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Total fund balance represents 46.4% of total fiscal year 2025 General Fund expenditures.

**WATER COOPERATIVE OF CENTRAL FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended September 30, 2025**

The total fund balance of the Cooperative's General Fund decreased during the fiscal year ended September 30, 2025 by \$163,755 primarily due to a 1,309.4% increase in physical environment expenses during the fiscal year. Operating contributions represent the contributions of the four member parties as well as billings related to the legal representation of the Water Cooperative at the CFWI. Expenses include \$171,783 and \$10,719 for 2025 and 2024, respectively, in professional services expenses. These were primarily associated with preparing to issue debt to fund the construction phase of the Cypress Lake project and to apply for a WIFIA loan. Additional information can be found in Note 1.

General Fund Budgetary Highlights

The Cooperative adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The following schedule shows the differences between the General Fund's actual revenues and expenditures and its final budget:

REVENUES	Actual Amount	Final Budget Amount	Variance
Operating Grants and Contributions	\$ 9,830	\$ 38,000	\$ (28,170)
Total Revenues	<u>\$ 9,830</u>	<u>\$ 38,000</u>	<u>\$ (28,170)</u>
EXPENDITURES			
Water Utility Services	\$ 173,585	\$ 159,175	\$ (14,410)
Total Expenditures	<u>\$ 173,585</u>	<u>\$ 159,175</u>	<u>\$ (14,410)</u>

There were no changes between original and final budget in the General Fund. Actual expenditures were in excess of the final budget by \$14,410. This variance was driven by the timing of expenditures associated with preparing for the future debt issuances. Certain work initially planned for FY2024 shifted into FY2025, resulting in the Cooperative finishing under budget in FY2024 and over budget in FY2025.

Economic Factors and Conditions

Key regional economic indicators, such as personal income growth, total employment, the unemployment rate, population growth, and housing starts are expected to show varying degrees of strengths and weaknesses in future business cycles. Overall, the region's economy is moving in a favorable direction, supported by population growth and a tourism industry that is achieving pre-coronavirus demand.

Request for Information

This financial report is designed to provide a general overview of the Cooperative's finances for all those with an interest in the government's finances. Questions concerning any of the information should be addressed to the Cooperative's Executive Director, 951 Martin Luther King Boulevard, Kissimmee, FL 34741; or visit our website at: <https://www.watercoopcf.com/>.

BASIC FINANCIAL STATEMENTS

WATER COOPERATIVE OF CENTRAL FLORIDA

**STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET**

September 30, 2025

	General Fund	Adjustments (Note 2)	Statement of Net Position
ASSETS			
Cash and cash equivalents	\$ 161,875	\$ -	\$ 161,875
Accounts receivable	469	-	469
TOTAL ASSETS	\$ 162,344	-	162,344
LIABILITIES			
Accounts payable	\$ 81,794	-	81,794
TOTAL LIABILITIES	81,794	-	81,794
FUND BALANCE / NET POSITION			
FUND BALANCE			
Restricted for Water Projects	80,550	(80,550)	-
TOTAL FUND BALANCE	80,550	(80,550)	-
TOTAL LIABILITIES AND FUND BALANCE	\$ 162,344		
NET POSITION			
Restricted for Water Projects		80,550	80,550
TOTAL NET POSITION		\$ 80,550	\$ 80,550

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

WATER COOPERATIVE OF CENTRAL FLORIDA

**STATEMENT OF ACTIVITIES AND
GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCE**

For the Year Ended September 30, 2025

	General Fund	Adjustments (Note 2)	Statement of Activities
REVENUES			
Intergovernmental	\$ 9,830	\$ -	\$ 9,830
TOTAL REVENUES	9,830	-	9,830
EXPENDITURES / EXPENSES			
Water Utility Services	173,585	-	173,585
TOTAL EXPENDITURES / EXPENSES	173,585	-	173,585
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(163,755)	163,755	-
CHANGE IN FUND BALANCE / CHANGE IN NET POSITION	(163,755)	-	(163,755)
FUND BALANCE / NET POSITION BEGINNING OF THE YEAR	244,305	-	244,305
FUND BALANCE / NET POSITION END OF THE YEAR	\$ 80,550	\$ -	\$ 80,550

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

WATER COOPERATIVE OF CENTRAL FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Water Cooperative of Central Florida (the "Cooperative") conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting principles and policies used in the preparation of these financial statements.

Financial Reporting Entity

The Cooperative was created by an interlocal agreement between the city of St. Cloud, the Tohopekaliga Water Authority, Orange County, and Polk County in 2011 in accordance with Chapters 163 and 373 of the Florida Statutes.

The Cooperative is comprised of one Supervisor appointed by each Member Government, who is a sitting member of a Member Government. Reappointments shall be made when necessary to ensure continuous representation of the Member Governments. Appointment to the Board of Supervisors shall be effective only for so long as the appointing government is a Member Government. These financial statements present the financial statements of the Cooperative and are not meant to represent any of the Member Organizations as a whole.

Basis of Presentation

The Cooperative complies with accounting standards established by the Governmental Accounting Standards Board ("GASB"). The Cooperative has implemented GASB Statement No. 34 as amended, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the Cooperative. The Cooperative reports only governmental activities; it does not have any business-type activities or fiduciary funds. Governmental activities are supported by contributions from member organizations.

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 clearly identifiable with a specific function. Program revenues consist of grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Payments of other items not properly included as program revenues are reported as general revenues.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

Fund Financial Statements

The financial transactions of the Cooperative are reported in the General Fund in the fund financial statements. This fund is accounted for by a providing separate set of self-balancing accounts that comprises its assets, liabilities, fund balance, revenues, and expenditures. Government resources are allocated to, and accounted for, based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The purpose of the General Fund is to account for the accumulation and expenditure of resources that are used for general purposes of the Cooperative and do not require the establishment of any other type of fund.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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

The Cooperative is a single-program entity, devoted to the sound planning, acquisition, development, management, operation, improvement, and maintenance of Water Projects. It is comprised of a General Fund only and has no other governmental, proprietary, or fiduciary funds. There were no component units related to the Cooperative.

Budgetary Requirements

The Board of Supervisors shall provide each member government with a notice of its intention to adopt the budget along with a copy of the tentative budget no later than thirty days prior to the budget hearing. The Cooperative's duly adopted final budget shall also be transmitted to or filed annually with the clerk or other similar official for each Member Government. The budget may not be changed or modified by any other authority.

The budget was prepared on a basis consistent with generally accepted accounting principles and was based upon the final amended budget of the Cooperative. Florida Statutes state that it is unlawful for expenditures to exceed appropriations. This variance was driven by the timing of expenditures associated with preparing for the future debt issuances. Certain work initially planned for FY2024 shifted into FY2025, resulting in the Cooperative finishing under budget in FY2024 and over budget in FY2025.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits. Florida Statutes require the Cooperative to deposit public funds in qualified public depositories. Cash deposits as of September 30, 2025, are insured by federal depository insurance and the Public Depository Trust Fund.

Net Position

Net position represents the difference between assets and liabilities. The Cooperative may report three categories of net position, as follows: invested in capital assets, restricted net position, and unrestricted net position. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute. Unrestricted net position consists of all other net position that does not meet the definition of the other two components and are available for general use by the Cooperative. When both restricted and unrestricted resources are available for use, it is the Cooperative's policy to use restricted resources first, then unrestricted as needed. At September 30, 2025, restricted net position was \$80,550.

Fund Balance and Spending Policy

In accordance with accounting standards, the Cooperative classified governmental fund balances as follows:

Non-Spendable Fund Balance - Represents fund balance that is (a) not in a spendable form such as prepaid items and inventories or (b) legally or contractually required to be maintained intact such as an endowment. There was no non-spendable fund balance at September 30, 2025.

Restricted Fund Balance - Consists of amounts that can be spent only on the specific purposes stipulated by law or by the external providers of those resources. There was a \$80,550 restricted fund balance at September 30, 2025.

Committed Fund Balance - Self-imposed limitations set in place prior to the end of the fiscal period. These amounts can be used only for the specific purposes determined by a formal action of the Board of Supervisors, which is the highest level of decision-making authority, and that require the same level of formal action to remove the constraint. The Board of Supervisors can establish, modify, or rescind committed fund balance through the formal approval of a resolution. There was no committed fund balance at September 30, 2025.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance and Spending Policy (Continued)

Assigned Fund Balance - Amounts that are subject to a purpose constraint that represents an intended use established by the Board of Supervisors or by its designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund. Formal action is *not* necessary to impose, remove, or modify a constraint in Assigned Fund Balance. Additionally, this category could be used to reflect the appropriation of a portion of existing fund balance to eliminate a projected deficit in the subsequent year's budget. The Board of Supervisors has not formally appointed anyone with the authority to assign fund balance. There was no assigned fund balance at September 30, 2025.

Unassigned Fund Balance - Represents the residual classification or fund balance and includes all spendable amounts not contained within the other classifications of the General Fund. There was no unassigned fund balance at September 30, 2025.

The Cooperative has fund balance and spending practices for tracking the various classifications of fund balance. When an expenditure is incurred in which restricted, committed, assigned, or unassigned amounts are available to be used, the Cooperative will first use restricted amounts, then committed amounts, then assigned amounts, and finally unassigned amounts.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as applicable to government entities, requires management to make use of estimates that affect the reported amounts in the financial statements. Actual results could differ from estimates.

NOTE 2 - DEPOSITS

At September 30, 2025, the Cooperative's carrying amount was \$161,875 and the bank balance was \$161,875, consisting entirely of demand deposits. The entire amount of the demand deposits is deposited in a state of Florida qualified depository and, therefore, is fully collateralized.

Custodial credit risk is the risk that in the event of a bank failure the government's deposits may not be returned to it. The Cooperative's monies must be deposited in banks designated as qualified public depositories by the Chief Financial Officer, Florida Department of Financial Services. Therefore, the Cooperative's total deposits are insured by the Federal Depository Insurance Corporation and collateralized by the Bureau of Collateral Management, Division of Treasury, and Florida Department of Financial Services. The law requires the Chief Financial Officer to ensure that funds are entirely collateralized throughout the fiscal year. Other than the preceding disclosure, the Cooperative has no policy on custodial credit risk.

NOTE 2 - DEPOSITS (Continued)

Collateral is provided for demand deposits through the Florida Security for Public Deposits Act. This law establishes guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements, and characteristics of eligible collateral. Under this law, the qualified public depository must pledge at least 25% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance.

Additional collateral, up to a maximum of 150%, may be required if deemed necessary under the conditions set forth in this law. Eligible collateral consists of obligations of the United States and its agencies and obligations of states and their local political subdivisions and unaffiliated corporations.

Obligations pledged to secure deposits must be delivered to the Department of Financial Services or, with the approval of the Chief Financial Officer, to a bank, savings association, or trust company provided a power of attorney is delivered to the Chief Financial Officer. On a monthly basis, the Chief Financial Officer determines that the collateral has a market value adequate to cover the deposits under the provisions of this law.

NOTE 3 - RISK MANAGEMENT

The Cooperative is exposed to various risks of loss related to torts, theft of assets, errors and omissions, and natural disasters. The Cooperative is self-insured for all risk of loss. No claims have been paid during the past two years.

NOTE 4 - SERVICES PROVIDED BY THE TOHOPEKALIGA WATER AUTHORITY

The Cooperative's accounting function is provided by the Tohopekaliga Water Authority. If these services were no longer provided by the Tohopekaliga Water Authority, the Cooperative would have to incur additional expenses.

REQUIRED SUPPLEMENTARY INFORMATION

WATER COOPERATIVE OF CENTRAL FLORIDA

**BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND**

For the Year Ended September 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Operating Grants and Contributions	\$ 38,000	\$ 38,000	\$ 9,830	\$ (28,170)
TOTAL REVENUES	<u>38,000</u>	<u>38,000</u>	<u>9,830</u>	<u>(28,170)</u>
EXPENDITURES				
Water Utility Services	159,175	159,175	173,585	(14,410)
TOTAL EXPENDITURES	<u>159,175</u>	<u>159,175</u>	<u>173,585</u>	<u>(14,410)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(121,175)	(121,175)	(163,755)	(42,580)
FUND BALANCES -				
BEGINNING OF THE YEAR	<u>121,175</u>	<u>121,175</u>	<u>244,305</u>	<u>123,130</u>
FUND BALANCES -				
END OF THE YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,550</u>	<u>\$ 80,550</u>

Notes to the Schedule:

The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles ("GAAP"). There is no difference between GAAP and the budgetary basis of accounting.

COMPLIANCE SECTION

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

Board of Supervisors
Water Cooperative of Florida
Kissimmee, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, and general fund of the Water Cooperative of Central Florida (the "Cooperative") as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Cooperative's basic financial statements and have issued our report thereon dated April 24, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Cooperative's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Cooperative's internal control. Accordingly, we do not express an opinion on the effectiveness of the Cooperative'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 [consolidated] 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 were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2025-001, that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Cooperative's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2025-001.

Cooperative's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Cooperative's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Cooperative's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the response.

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.

Forvis Mazars, LLP

Orlando, Florida
April 24, 2026

**Water Cooperative of Central Florida
Schedule of Findings and Responses
September 30, 2025**

Reference Number	Finding
2025-001	<p>Significant Deficiency and Noncompliance: Budgetary Controls</p> <p>Criteria: Section 189.016, Florida Statutes, provides that the adopted budget must regulate expenditures of the special district, and the special district may not expend or contract for expenditures in any fiscal year except pursuant to the adopted budget.</p> <p>Condition: We noted during review of the Cooperative's records that actual expenditures exceeded budgeted amounts at the fund level; however, there was no budget amendment to address the excess expenditures.</p> <p>Cause: The Cooperative did not have a formal control in place to obtain Board-approved budget amendments within the statutory deadline.</p> <p>Effect: As a result of not properly monitoring and amending the budget to meet changing financial circumstances, the Cooperative was not in compliance with Florida Statutes and its ability to meet future financial obligations could be hindered.</p> <p>Recommendation: Cooperative personnel should enhance budgetary procedures by more closely monitoring financial activities to ensure that expenditures are limited to budgeted amounts and budget amendments are filed in a timely manner as required by State law.</p> <p>Views of Responsible Officials and Planned Corrective Actions: Management concurs with this finding. This budget variance was triggered by timing; specifically, certain expenditures originally planned to take place in FY2024 were delayed, resulting in the Cooperative finishing under budget in FY2024 and over budget in FY2025. The carryover from FY2024 was not incorporated into the FY2025 budget. Cooperative personnel have enhanced budgetary procedures by more closely monitoring financial activities to ensure that expenditures are limited to budgeted amounts and budget amendments are filed in a timely manner as required by State law.</p>

Independent Accountant's Report

Board of Supervisors
Water Cooperative of Central Florida
Kissimmee, Florida

We have examined the compliance of the Water Cooperative of Central Florida (the "Cooperative") with the requirement of Section 218.415, Florida Statutes, for the fiscal year ended September 30, 2025. The Cooperative's management is responsible for the Cooperative's compliance with those requirements. Our responsibility is to express an opinion on the Cooperative's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Cooperative is in compliance with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about the Cooperative's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

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

Forvis Mazars, LLP

Orlando, Florida
April 24, 2026

Independent Auditor's Management Letter

Board of Supervisors
Water Cooperative of Central Florida
Kissimmee, Florida

Report on the Financial Statements

We have audited the financial statements of the Water Cooperative of Central Florida (the "Cooperative") as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated April 24, 2026.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, and our Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated April 24, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us apply appropriate procedures and communicate the results of our determination as to whether or not the Cooperative 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 Cooperative 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 Cooperative. It is management's responsibility to monitor the Cooperative's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

Special District Component Units

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

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

- (A) The total number of Cooperative employees compensated in the last pay period of the Cooperative's fiscal year as N/A.
- (B) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Cooperative's fiscal year as N/A.
- (C) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$0.
- (D) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as N/A.
- (E) Each construction project with a total cost of at least \$65,000 approved by the Cooperative that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as: N/A.
- (F) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes as \$0.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but 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 the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Board of Supervisors, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Forvis Mazars, LLP

Orlando, Florida
April 24, 2026

WATER COOPERATIVE OF CENTRAL FLORIDA

Meeting Date: May 6, 2026

Agenda Item No. 4

Attachments: None

Title: APPROVAL TO CONTRACT EMINENT DOMAIN ATTORNEY SERVICES FOR THE CYPRESS LAKE ALTERNATIVE WATER SUPPLY PROJECT

Explanation:

The Cypress Lake Alternative Water Supply (CLAWS) project is permitted to withdraw 37.5 million gallons per day (MGD) of brackish water from the Lower Floridan Aquifer which will result in approximately 30 MGD of finished water for distribution to the Water Cooperative of Central Florida's member government partners as agreed in the CLAWS Interlocal Agreement and subsequent amendments.

At present, approximately 217.7 acres of property located on the Bronson Ranch have been acquired and will support the reverse osmosis water treatment plant (ROWTP), four production wells, three injection wells for disposal of concentrate from the reverse osmosis treatment process, and various raw and finished water pipeline easements. To date, two injection wells and four production wells have been constructed and the ROWTP design is at 90% with 100% documents expected in mid-June. The ROWTP is anticipated to go to construction in January 2027 with substantial completion by January 2030.

At build-out, the construction of twelve (12) production wells, the ROWTP, and raw and finished water pipelines will be required. Eight additional wells will be located at intermittent locations along Canoe Creek Road to meet necessary spacing between wells to avoid excess drawdown. The project will be constructed in two or more phases with the first phase delivering 15 to 17 MGD. For Phase I, to produce 15 to 17 MGD of potable water, construction of two additional production wells and associated raw water transmission main is required.

Toho has actively been pursuing the acquisition of additional well sites and raw water main easements with landowners of the identified properties with limited success. Toho, as Project Administrator, is requesting Board concurrence to engage eminent domain counsel to support acquisition of the additional well sites (including those needed for future phases) and associated easements.

Toho will continue to work with the landowners to attempt to purchase the needed property interests without condemnation proceedings. Should condemnation proceedings be required, this matter will be brought back to the Board to approve the resolution of taking. In order to move forward with a condemnation proceeding, eminent domain counsel will need to retain the services of an appraiser and potentially an engineer along with other professional services.

Costs:

Not to exceed \$100,000 without prior approval from the Board.

Recommendation:

Approval and concurrence to engage the services of eminent domain counsel to assist with the acquisition of eight well sites for the CLAWS project.

Initials: dab/jmb

WATER CO-OPERATIVE OF CENTRAL FLORIDA

Meeting Date: May 6, 2026

Agenda Item No: 5

Attachments: Resolution 2026-002-WC Regarding Delegation of Authority

Title: Resolution Regarding Delegation of Authority to Execute Certain Documents

Explanation:

The WCCF's executive director has the authority to administer the operations of the Board and to execute such documents as may be necessary or appropriate to carry out the directions of the Board.

The purpose of this resolution is to authorize the executive director to appoint one or more employees of the Toho Water Authority, as agent for the WCCF, to sign Water Project documents (such as an application for permit or other project authorization), agreements, and other instruments in the instance where the executive director is not available to sign such document.

Costs: None

Recommendation: Approve the Resolution 2026-002-WC

Initials: SMA

RESOLUTION NO. 2026-002-WC
A RESOLUTION OF THE WATER COOPERATIVE OF CENTRAL FLORIDA
REGARDING DELEGATION OF AUTHORITY TO EXECUTE CERTAIN DOCUMENTS

WHEREAS, Section 2.02 of the Interlocal Agreement (“Charter”) Relating To The Establishment Of The Water Cooperative Of Central Florida (“WCCF”), titled “Governing Body,” provides that the exercise of any and all executive, administrative and ministerial powers may be delegated by the Board of Supervisors to the WCCF’s executive director or general counsel; and

WHEREAS, the WCCF’s executive director has the authority to administer the operations of the Board and to execute such documents as may be necessary or appropriate to carry out the directions of the Board, including, for purposes of this resolution, applying for or receiving certain regulatory approvals, permits or other similar project authorizations for a Water Project, as that term is defined in Section 1.01 of the Charter (collectively “Project Document”); and

WHEREAS, in the interest of efficiency and expediency, in the instance where the executive director is not available to approve and execute approvals, agreements, expenses (in accordance with the threshold set forth in this Resolution), and other documents including Project Documents, it is appropriate to authorize the executive director to appoint other individuals who may approve and execute such instruments and documents.

THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE WATER COOPERATIVE OF CENTRAL FLORIDA:

1. The Executive Director is hereby authorized to approve contracts, agreements, purchase orders, and other expenditures on behalf of the WCCF in accordance with the Tohopekaliga Water Authority Approval/Signature Authority Policy in effect as of the date of approval of this Resolution.

2. The Executive Director is hereby authorized to delegate to one or more employees of Tohopekaliga Water Authority, as the agent of the WCCF, the authority to approve and execute approvals, agreements, expenses within the threshold set forth in this Resolution, and other such documents, including Project Documents, provided that the Executive Director may not delegate any function or any power to incur expenses or liabilities on WCCF’s behalf which are inconsistent with or contrary to this Resolution or any other resolution of the Board. The Executive Director shall evidence such delegation of authority by filing a certificate with the General Counsel. All certificates of delegation shall be reviewed annually. The Executive

Director may revoke any delegation issued in accordance with this subsection at any time for any reason by issuing either a superseding certificate, or a certificate of revocation.

APPROVED AND DULY ADOPTED BY THE BOARD ON THE ____ DAY OF _____,
2026.

THE WATER COOPERATIVE OF CENTRAL FLORIDA

By: its Board of Supervisors

Nicole Wilson, Chair

Attest: Michael Scott, Secretary

Date: _____

WATER CO-OPERATIVE OF CENTRAL FLORIDA

Meeting Date: May 6, 2026

Agenda Item No: 6

Attachments: Resolution 2026-003-WC Appointing Assistant Secretary

Title: APPOINTMENT OF ASSISTANT SECRETARY

Explanation:

The WCCF Charter provides that the Board may designate one or more persons who are not members of the Board to serve as assistant secretary for the purpose of attesting to the execution of documents.

In the interest of efficiency, it is beneficial to designate the general counsel to serve as assistant secretary for purposes of attesting to the execution of documents when the Secretary is not available. The resolution designates the general counsel as assistant secretary for the stated purpose.

Costs: None

Recommendation: Adopt the resolution 2026-003-WC

Initials: SMA

RESOLUTION NO. 2026-003-WC
A RESOLUTION OF THE WATER COOPERATIVE OF CENTRAL FLORIDA
APPOINTING AN ASSISTANT SECRETARY

WHEREAS, Section 2.02(G) of the Interlocal Agreement Relating To The Establishment Of The Water Cooperative Of Central Florida, titled "Governing Body," provides that: "The Board of Supervisors may designate one or more persons who are not members of the Board of Supervisors to act as an assistant secretary for the purpose of attesting to the execution of documents;" and

WHEREAS, in the interest of efficiency and expediency, in the instance where the Secretary may not be available to attest to the execution of a document, it is beneficial to designate a person who is not a member of the Board of Supervisors to serve as assistant secretary for such purpose; and

WHEREAS, it is appropriate to designate the general counsel of the Cooperative to serve as assistant secretary for the aforementioned purpose.

THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE WATER COOPERATIVE OF CENTRAL FLORIDA:

That the general counsel of the Water Cooperative of Central Florida is hereby designated as assistant secretary for the purpose of attesting to the execution of a document in the instance where the Secretary is not available to attest to the execution of such document.

APPROVED AND DULY ADOPTED BY THE BOARD ON THE ____ DAY OF _____, 2026.

THE WATER COOPERATIVE OF CENTRAL FLORIDA

By: its Board of Supervisors

Nicole Wilson, Chair

Attest: Michael Scott, Secretary

Date: _____

WATER COOPERATIVE OF CENTRAL FLORIDA

Meeting Date: May 6, 2026

Agenda Item No. 7

Attachments: None

Title:
CYPRESS LAKE ALTERNATIVE WATER SUPPLY PROJECT UPDATE

Explanation:

Deborah Beatty, Toho Project Manager for the Cypress Lake Alternative Water Supply (CLAWS) Project, will provide a brief update on the status of the project progress since the January 7, 2026 Water Cooperative Board meeting, including the status of construction of the production wells, raw water main, and concentrate disposal injection well, the status of the SFWMD grant funding, design status of the water treatment facility, a project funding update including the status of the EPA WIFIA loan application, and other related business matters.

Costs:

None.

Recommendation:

No action required by the Board.

Initials: dab